

FSA
HANDBOOK

**Marketing Assistance Loans and Loan Deficiency
Payments for 2019 and Subsequent Crop Years**

For State and County Offices

SHORT REFERENCE

8-LP
(Revision 3)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

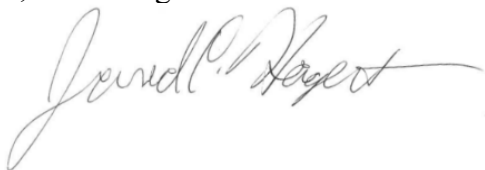
UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Marketing Assistance Loans and Loan Deficiency
Payments for 2019 and Subsequent Crop Years
8-LP (Revision 3)**

Amendment 2

Approved: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 1 A has been amended to acknowledge priority of pandemic or national emergency policies.

Subparagraph 3 A has been amended to:

- update handbook titles
- remove 2-CM and 3-CM
- add 10-CM, 11-CM, 1-IA, and 2-LP Wool and Mohair.

Subparagraph 3 C has been amended to update websites.

Paragraph 23 has been amended to update CCC-770 LDP and CCC-770 MAL examples and instructions.

Paragraph 32 has been amended to update the crop years.

Subparagraph 225 L has been amended to update who PSD will work with to update the software.

Subparagraph 226 B has been amended to include that the County Office will maintain MAL's and LDP's.

Subparagraphs 300 C and 323 A have been amended to remove the website for the National Compliance Review Database.

Subparagraph 316 A has been amended to reference 5-LP, Part 5 for grain bin safety guidelines.

Subparagraph 336 E has been amended to update the instructions for completing CCC-633EW.

Subparagraph 504 A has been amended to reference paragraph 511.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Paragraph 511 has been added to provide guidance for obtaining a lien waiver or UCC-3 from SBA.

Subparagraph 542 C has been amended to update the link to the AMS WCMD Dashboard.

Subparagraphs 741 C and H have been amended to update references to CCC-681-1.

Paragraph 743 has been amended to update CCC-681-1 instructions, example, and references.

Subparagraph 817 B has been amended to revise policy for obtaining grain warehouse storage rates.

Subparagraph 1002 G has been added to provide instructions for completing CCC-633 EZ.

Exhibit 3 has been added to provide helpful website links.

Exhibit 5, subparagraph Q has been added to provide SBA LM example letter.

Exhibit 9 has been amended to provide updated grain sorghum varieties information and removed the table listing that is now provided on the Price Support website.

Exhibit 16 has been amended to:

- provide a link for State Offices to request CCC-683's
- update the example of CCC-683.

B Obsolete Material

8-LP (Rev. 2) is obsolete.

Amendment Transmittal (Continued)

Page Control Chart		
TC	Text	Exhibit
1-4 11, 12	1-1 through 1-6 1-67, 1-68 1-68.5, 1-68.6 (add) 1-69 through 1-72 1-72.5, 1-72.6 (add) 1-73 through 1-76 1-99, 1-100 2-73, 2-74 3-3, 3-4 3-39, 3-40 3-53, 3-54 3-103, 3-104 5-21, 5-22 5-37 through 5-64 5-131, 5-132 7-115, 7-116 7-119 through 7-128 7-133, 7-134 8-43, 8-44 10-16.5, 10-16.6 (add) 10-17, 10-18	1, pages 1-4 page 5 3, page 1 (add) 5, page 25 (add) 9, pages 1-4 page 5 page 6 (remove) page 7-28 (remove) 16, pages 1, 2

Table of Contents

Page No.

Part 1 General Information and Administrative Provisions

Section 1 Introduction and Purpose

1	Purpose and Authority	1-1
2	Signatures, Authorizations, and Approvals	1-3
3	Related Handbooks and Websites.....	1-4
4-9	(Reserved)	

Section 2 Responsibilities

10	Administrative Responsibilities	1-27
11-19	(Reserved)	

Section 3 Administrative Provisions

20	Appeals	1-61
21	Applicability of Soldiers' and Sailors' Civil Relief Act of 1940.....	1-62
22	Bankruptcy Cases.....	1-65
23	CCC-770 LDP and CCC-770 MAL.....	1-67
24	Collecting Commodity Assessments and Other Fees	1-76
25	Incorrect Loan or LDP Rate or Incorrect Quantity Used.....	1-82
26	Interest Rates and Calculations	1-86
27	IRS Reporting and Abandonments	1-88
28	Lobbying Activity Provisions	1-89
29	Misaction/Misinformation and Finality Rule.....	1-95
30	Offsets	1-96
31	Overdisbursements, Overpayments, and Receivables	1-99
32	Payment and AGI Limitation for 2019 Through 2031 Crops.....	1-100
33	Prompt Payment Act.....	1-101
34-44	(Reserved)	

Section 4 Warehouse Status Notification

45	Notification of UGRSA Warehouse Status.....	1-139
46	Violations and Suspected Violations by Warehouse Operator	1-144
47-199	(Reserved)	

Table of Contents (Continued)

Page No.

Part 2 Common Loan and LDP Provisions

Section 1 Producer Eligibility

200	Eligible Producers	2-1
201	Ineligible Producers	2-5
202	Delinquent Federal Nontax Debtors	2-6
203	Eligible Foreign Person.....	2-11
204	Eligible CMA's	2-11
205	Deceased Producers	2-12
206	Dissolved Corporations or Partnerships.....	2-16
207-224	(Reserved)	

Section 2 Commodity Eligibility

225	Eligible Commodities	2-67
226	Loan and LDP Final Availability Dates.....	2-74
227	Beneficial Interest	2-76
228	Reviewing Contracts	2-83
229	Guidelines for Submitting Contracts	2-91
230	Eligible Quantity	2-92
231	Poisonous Substances and Contamination.....	2-96
232	Repledging Commodities.....	2-99
233	Loans Ineligible for Delivery or Forfeiture	2-101
234	Second Party Reviews.....	2-104
235-299	(Reserved)	

Part 3 Spot-Checking and Production Evidence

Section 1 Spot-Check Policy

300	Compliance Reviews for LDP's and MAL's.....	3-1
301	Outstanding Farm-Stored Loans	3-5
302	LDP's	3-7
303	Farm-Stored Loans Delivered to CCC.....	3-8
304	Commodity Inspector Spot-Check Review	3-9
305-314	(Reserved)	

Table of Contents (Continued)

Page No.

Part 3 Spot-Checking and Production Evidence (Continued)

Section 2 Spot-Check Process

315	Notification	3-37
316	On-Farm Visits.....	3-39
317	Completing Spot Checks.....	3-40
318	Loan Quantity Determination and Action Required	3-41
319	LDP Quantity Determination and Action Required.....	3-45
320	Producer Requests for Redetermination of Quantity or Quality.....	3-48
321	Loan Maturity Date Acceleration	3-49
322	Loan Collateral Storability Questioned	3-51
323	County Office Spot-Check Review	3-54
324	State Office Spot-Check Review	3-56
325-334	(Reserved)	

Section 3 Production Evidence

335	Requirements	3-89
336	Maximum Eligible Quantity	3-98
337	Dates for Submitting Evidence	3-107
338	Failure to Provide Acceptable Production Evidence	3-108
339	Insufficient Production Evidence.....	3-110
340	Apportioning Commingled Production Evidence.....	3-112
341	New Loans or LDP's Based on Submitted Production Evidence.....	3-118
342-399	(Reserved)	

Table of Contents (Continued)

Page No.

Part 4 Violations

Section 1 General Provisions

400	Producer Liability	4-1
401	Loan and LDP Violations	4-6
402-409	(Reserved)	

Section 2 Administrative Actions

410	Determining Administrative Actions	4-31
411	Accelerating the Loan Maturity Date	4-38
412	Assessing Liquidated Damages	4-39
413	Special Provisions for Unauthorized Disposition or Flagrant Incorrect Certification Cases	4-40
414	Denying Future Farm-Stored Loans and LDP's	4-43
415	Waiving Administrative Actions	4-44
416	Accepting Payments for Violations	4-45
417	Actions for Violations	4-47
418-499	(Reserved)	

Part 5 Loanmaking Provisions

Section 1 Basic Loanmaking

500	Obtaining Loans	5-1
501	Requesting Loans	5-3
502	Completing CCC-10's	5-10
503	Lien Searches	5-17
504	CCC-679's	5-21
505	County Loan Rates	5-29
506	Loan Service Fees	5-31
507	Loan Maturity Dates	5-32
508	Disbursing Loans	5-33
509	COC Approval of Certain Farm-Stored Loans	5-36
510	Additional Disbursement Guidelines	5-37
511	Requesting Lien Waivers and UCC-3's From SBA	5-37
512-519	(Reserved)	

Table of Contents (Continued)

Page No.

Part 5 Loanmaking Provisions (Continued)

Section 2 Farm-Stored Loans

520	Nonrecourse Loan Requests and Loan Rates.....	5-65
521	Filing UCC-1's.....	5-68
522	Eligible Storage Structures	5-72
523	Producer Requests for Loans	5-74
524	Completing and Distributing CCC-666's	5-76
525	Measurement Service for Loans or LDP's.....	5-84
526	Additional Storage Structure Designation for Loans.....	5-90
527	Completing CCC-665's for Commingled Production	5-91
528	Quantity Determinations.....	5-93
529	Quality Determinations.....	5-95
530	Reducing Farm-Stored Loan Rates in Designated Areas	5-96
531-539	(Reserved)	

Section 3 Warehouse-Stored Loans

540	Warehouse-Stored Loan Storage	5-125
541	General Warehouse Policy.....	5-126
542	Obtaining CCC Warehouse Code in States With an Operating Warehouse Licensing Program	5-129
543	Requesting Warehouse-Stored Loans	5-132
544	Quality Determinations	5-138
545	List of Approved and Authorized Warehouses and List of Warehouse Offer Rates	5-139
546	Storing Warehouse Operator's Responsibilities	5-140
547	When Warehouse Operator Is Producer	5-141
548	General Warehouse Receipt Requirements	5-143
549	KC-350, Warehouse Operator's Supplemental Certificate.....	5-146
550	Statement of Charges Attached to Warehouse Receipts.....	5-148
551	Examining Warehouse Receipts	5-151
552	Reporting Lost, Stolen, or Destroyed Warehouse Receipts.....	5-152
553-599	(Reserved)	

Table of Contents (Continued)

Page No.

Part 6 Relocating Loan Collateral

Section 1 Handling Farm-Stored Loans

600	Commingling and Commodity Movement on Farm.....	6-1
601-612	(Reserved)	

Section 2 Transfers

613	Transferring Commodities	6-55
614	Completing CCC-681's for Authorization to Move Loan Collateral for Transfer	6-56
615	Transferring Loans From Farm Storage to Warehouse Storage	6-58
616	Remaining Farm-Stored Loan Quantity After Partial Transfer	6-62
617	Transferring Loans From Warehouse Storage to Farm Storage	6-63
618-626	(Reserved)	

Section 3 Reconcentrating Warehouse-Stored Loans

627	Reconcentrating Loan Collateral	6-101
628	Completing CCC-699's	6-102
629	Releasing Warehouse Receipts	6-105
630	Replacement Warehouse Receipts	6-106
631	Selling Commodities During Reconcentration	6-107
632-699	(Reserved)	

Part 7 Repayments, Releases, and Loan Maturity

Section 1 General Provisions

700	General Repayment Information.....	7-1
701	Personal or Corporate Checks Offered for Release of Collateral	7-9
702	Notice of Nonpayment or Dishonored Check Received From RMO	7-10
703	Releasing CCC-677 and CCC-678 After Repayment.....	7-13
704-713	(Reserved)	

Table of Contents (Continued)

Page No.

Part 7 Repayments, Releases, and Loan Maturity (Continued)

Section 2 Types of Repayment

714	Principal Plus Interest Repayments	7-35
715	Marketing Loan Repayments	7-36
716	Locking-In Repayment Rates	7-39
717	Completing CCC-697's	7-47
718	Repayment Rate Applicable to Loan Quantities Involved in a Violation	7-52
719	Lump-Sum Repayments.....	7-53
720	Wire Transfer Repayments	7-54
721-728	(Reserved)	

Section 3 Farm-Stored Loan Repayments

729	Farm-Stored Repayments.....	7-81
730	Repayment Schedules	7-82
731-740	(Reserved)	

Section 4 Marketing Authorization Provisions

741	Requesting Release of Farm-Stored Commodity Before Repayment	7-113
742	Delivery Evidence.....	7-120
743	Completing CCC-681-1's for Marketing Authorization.....	7-122
744	New CCC-681-1's for Additional Delivery Time	7-131
745	Repayment for Quantity Delivered on CCC-681-1	7-132
746	Payment Not Timely Received	7-141
747	Notification Letter to Buyer Designated on CCC-681-1	7-144
748	Denying Marketing Authorizations	7-144
749-758	(Reserved)	

Section 5 Warehouse-Stored Repayments and Releases

759	Repayments and Releases	7-175
760, 761	(Reserved)	

Section 6 Calculating Market Loan Repayment Rates

762	General Information.....	7-185
763	Terminal Market Rates and County Differentials.....	7-186
764	Loan Repayment Rates	7-189
765	Calculating CCC-Determined Value	7-202
766-773	(Reserved)	

Table of Contents (Continued)

Page No.

Part 7 Repayments, Releases, and Loan Maturity (Continued)

Section 7 CCE for Loan Collateral

774	General Information.....	7-231
775	CCC-694-2.....	7-236
776	Process for CCE in County Office for All Commodities Except Peanuts and Cotton	7-243
777	CCE for Peanut MAL Collateral in a County Office.....	7-245
778	CCC-694-1 Page 2	7-248
779-788	(Reserved)	

Section 8 Loan Maturity

789	Maturity Notification to Producers	7-279
790-799	(Reserved)	

Part 8 Farm-Stored Loan Settlement

Section 1 Preparing for Deliveries of Nonrecourse Loans

800	Preparing for Deliveries.....	8-1
801	Issuing CCC-691's.....	8-5
802	Issuing CCC-681-1's After CCC-691's Issued.....	8-11
803	Nondelivery of Loan Collateral	8-12
804	Deliveries to Approved Warehouses	8-13
805-811	(Reserved)	

Section 2 Completing Deliveries of Nonrecourse Loans

812	Producer, Warehouse Operator, and County Office Responsibilities.....	8-35
813	Maximum Quantity Eligible for Delivery.....	8-38
814	Questionable Deliveries	8-39
815	Insect-Damaged Wheat	8-40
816	Completing CCC-691, Part B	8-42
817	Completing CCC-691, Part C	8-44
818	Reviewing Delivery Documents	8-50
819	Delivered Quantities Exceeding Maximum Eligible Quantity	8-52
820	Determining Loan Settlement Values	8-55
821	Completing Settlements	8-59
822	Completing CCC-692	8-66
823	Loan Deficiencies	8-69

Table of Contents (Continued)

Page No.

Part 8 Farm-Stored Loan Settlement (Continued)

Section 2 Completing Deliveries of Nonrecourse Loans (Continued)

824	Payments Due Producer	8-70
825	Transmittal Control Document	8-71
826-845	(Reserved)	

Section 3 Local Sales

846	Local Sale Eligibility	8-137
847	Authorization	8-139
848	Announcing Sales	8-141
849	Handling Bids	8-144
850	Accepting Final Bids.....	8-148
851	Completing Sales	8-151
852	Delivery for Local Sales	8-153
853-865	(Reserved)	

Section 4 Uncommon Liquidation Situations

866	Foreclosures	8-195
867	Abandonments	8-198
868-899	(Reserved)	

Part 9 Warehouse-Stored Loan Forfeitures

900	Loan Forfeitures.....	9-1
901	Transmittal Report	9-8
902-999	(Reserved)	

Table of Contents (Continued)

Page No.

Part 10 LDP's

Section 1 General Provisions

1000	Basic Provisions.....	10-1
1001	Requests for LDP's Documented on CCC-633 EZ	10-7
1002	CCC-633 EZ's	10-13
1003	Acceptable CCC-633 EZ's	10-18
1004	LDP Rates	10-21
1005	Eligible Quantity	10-24
1006	LDP Types	10-28
1007	Completing CCC-633 EZ's.....	10-29
1008	Completing CCC-633 EZ for Measured Quantities.....	10-45
1009	Notification of Denied LDP Benefits	10-47
1010-1019	(Reserved)	

Section 2 Commodities Harvested as Other Than Grain

1020	Eligibility for LDP	10-79
1021-1029	(Reserved)	

Section 3 Low Quality Commodities

1030	Eligibility for LDP	10-109
1031-1039	(Reserved)	

Section 4 Contaminated Commodities

1040	Eligibility for LDP	10-139
1041-1049	(Reserved)	

Section 5 Commodities Exceeding Maximum STC and 2-LP Standards for Moisture Commodities

1050	HM Corn and Grain Sorghum and Excess Moisture Commodities for LDP	10-169
1051-1099	(Reserved)	

Table of Contents (Continued)

Page No.

Part 11 Graze-Out Payments

1100	General Provisions	11-1
1101	General Information	11-2
1102	Specific Graze-Out Eligibility Requirements	11-4
1103	Filing CCC-633 GRAZING's	11-7
1104	Payment Rate and Calculations	11-9
1105	CCC-633 GRAZING's	11-14
1106	CCC-770 Grazing Checklist	11-18
1107-1199 (Reserved)		

Part 12 Other Loans

Section 1 Recourse Loans

1200	General Provisions	12-1
1201	Loan Rates	12-4
1202-1209 (Reserved)		

Section 2 Corn and Grain Sorghum HM Recourse Loans

1210	Commodity Recourse Loans	12-31
1211	Acquired Quantities for HM Commodities	12-34
1212-1214 (Reserved)		

Section 3 Cracked, Rolled, or Crimped Shelled or Ear Corn Recourse Loans

1215	Cracked, Rolled, or Crimped Corn Recourse Loans	12-45
1216-1219 (Reserved)		

Section 4 Distress Loans

1220	Initiating Distress Loans	12-61
1221	Repledging Distress Loan Collateral	12-64

Table of Contents (Continued)

Exhibits

1	Reports, Forms, Abbreviations, and Redelegations of Authority
2	Definitions of Terms Used in This Handbook
3	List of Helpful Website Links
4	Example of CCC-601
5	Example Letters
6, 7	(Reserved)
8	MAL, CCE, Market Loan Gain, LDP Eligibility Requirements
9	Eligible Grain Sorghum Varieties
10	Shrink Factors for Excess Moisture
11	Eligible Commodities
12	(Reserved)
13	Recourse Distress Loans
14	(Reserved)
15	Completing CCC-677-1
16	CCC-683's
17	Combined Test Weight and Pack Factors
18	Nonrecourse Farm-Stored Loans
19	Recourse Loans
20-30	(Reserved)
31	Examples of Applicable Dates for Mature MAL's When CCC-681-1 Requested Shortly Before Maturity
32, 33	(Reserved)
34	Nonrecourse Warehouse-Stored Loans
35-66	(Reserved)
67	Test Weight Factor for Oilseeds, Except Soybeans
68	Test Weight and Pack Factor for Pulse Crops

Part 1 General Information and Administrative Provisions**Section 1 Introduction and Purpose****1 Purpose and Authority****A Purpose**

[7 CFR 1421.1] This handbook provides general instructions for administering commodity loans and LDP's primarily for barley, canola, corn, crambe, dry peas, flaxseed, grain sorghum, large chickpeas, lentils, mohair, mustard seed, oats, peanuts, rapeseed, safflower, sesame seed, small chickpeas, soybeans, sunflower seed, wheat, and wool (graded and ungraded).

However, these provisions may pertain to other commodities. When these provisions apply, the individual commodity handbooks will reference this handbook.

Provisions specific to individual commodities are issued on a continuing basis in the following handbooks:

- 7-CN
- 14-CN
- 2-LP Grains and Oilseeds
- 2-LP Honey
- 2-LP Peanuts
- 2-LP Rice
- 2-LP Wool and Mohair
- 10-SU.

Additional guidance for loan or LDP processing or supplemental information may be found in the following handbooks:

- 1-CMA
- 14-CN
- 21-CN
- 22-CN
- 5-LP
- 1-PPG
- 16-PS
- 17-PS
- 19-PS.

***--Important:** Policies in this handbook do not supersede pandemic relief policies or other policies enacted during periods of national emergencies.--*

1 Purpose and Authority (Continued)

B Sources of Authority

Authority for the policies prescribed in this handbook is in the following:

- 7 CFR Part 1421
- 7 CFR Part 1434
- Agricultural Act of 2014
- Consolidated Appropriations Act, 2016
- Consolidated Appropriations Act, 2017
- Agriculture Improvement Act, 2018.

C Loan and LDP Program Objectives

The loan and LDP program objectives are to:

- provide interim financing to assist with the orderly marketing of eligible commodities
- minimize loan forfeitures and market disruptions that could occur when loan rates exceed market prices.

2 Signatures, Authorizations, and Approvals

A Signatures

County Offices must:

- follow 1-CM for producer signature and authorization provisions
- see 1-CM for a list of forms **not** approved for FAXed, emailed, or scanned signatures.

B Redelegation of Authority by COC or CED

The authority to approve all loan and LDP forms and documents prepared according to this handbook may be redelegated, in writing according to 16-AO, by:

- COC to CED, except forms and documents in which CED has a monetary interest
- CED to Federal and non-Federal County Office employees, except forms and documents in which the person approving has a monetary interest.

Reminder: Cross training in all applicable program areas must be completed **before** redelegating signing authority.

Redelegations must be reviewed at the first COC meeting of the year. A redelegation must be prepared and signed by the COC chairperson, which includes each re-delegable authority that is granted by COC for that year. Redelegations may remain in effect, be modified, or be revoked.

Follow this table for exceptions to redelegate authority for approval of loans and LDP's.

IF the producer is...	THEN the approval authority will be...
a Federal or non-Federal State or County Office employee	CED.
COC member	
DD	
SED	
STC member	
CED	COC.

Note: Questionable cases may be referred to the next higher authority for determination.

3 Related Handbooks and Websites

A FSA Handbooks

FSA handbooks related to loan and LDP programs are listed in this table.

Handbook	*--Title--*
9-AO	Audits and Investigations
16-AO	State and County Organization and Administration
22-AO	Outreach for FSA Programs and Services
1-APP	Program Appeals, Mediation, and Litigation
32-AS	Records Management
1-CM	Common Management and Operating Provisions
* * *	* * *
9-CM	Common Payment System
*--10-CM	Farm Records and Reconstitutions
11-CM	Customer Data Management
1-CMA	CMA, DMA, and LSA Common Loan and LDP Procedures
7-CN	Cotton Loans and Loan Deficiency Payments--*
14-CN	Procedures for Cotton Clerks
21-CN	CCC Automated Cotton Loan Reporting for CMA's and LSA's
22-CN	CCC Cotton Authorized Loan Servicing Agent Program
2-CP	Acreage and Compliance Determinations
6-CP	*--Highly Erodible Land Conservation and Wetland Conservation Provisions--*
7-CP	Finality Rule and Equitable Relief
1-FI	Processing Payments Initiated Through NPS
50-FI	Interest Rates
58-FI	*--Managing FSA and CCC Debts, Receivables, and Claims--*
61-FI	Handling Prompt Payment Interest Penalties
62-FI	Reporting Data to IRS
63-FI	*--Financial Services Web Application
64-FI	Establishing and Reporting Receipts and Receivables on the National Receipts and Receivables System
1-IA	Integrity and Accountability in FSA Programs
2-LP Grains and Oilseeds	Commodity Data Specific to Wheat, Feed Grains, and Oilseeds
2-LP Honey	Loans and Loan Deficiency Payments for Honey
2-LP Peanuts	Loans and Loan Deficiency Payments for Peanuts
2-LP Rice	Loans and Loan Deficiency Payments for Rice
2-LP Wool and Mohair	Loans and Loan Deficiency Payments for Wool and Mohair--*
5-LP	Commodity Inspectors Handbook
1-PL	Payment Limitations
--3-PL (Rev. 2)--	Web-Based Subsidiary Files for 2009 and Subsequent Years
6-PL	*--Payment Limitation, Payment Eligibility, and Average Adjusted Gross Income--*
1-PPG	Peanut Buyers and Handlers Program Guidelines for 2019 and Subsequent Crop Years
15-PS	Web-Based Price Support Procedures and Common Functions for Grains, Oilseeds, and Rice * * *
16-PS	Price Support Commodity Loan Processing System Automation for 2015 and Subsequent Years
17-PS	Price Support Loan and LDP Administrative Systems

3 Related Handbooks and Websites (Continued)

A FSA Handbooks (Continued)

Handbook	*--Title
19-PS	Price Support Loan Deficiency Payments Automation for 2022 and--*
10-SU	Sugar Loans

Note: See subparagraph D for information on State supplements.

B Warehouse Operator Handbooks, Letters, and Notices

Warehouse operator handbooks, letters, and notices to industry for authorized Federal and non-Federal warehouses are available at <https://www.ams.usda.gov/services/warehouse>.

The following website provides warehouse information for loans and LDP's.

Website Content	Website Address
Approved and Authorized UGRSA Warehouses (Including USWA Licensed Warehouses)	https://publicdashboards.dl.usda.gov/#!/site/MRP_PUB/views/WCMDDashboard/WCMDDashboard

C Useful Websites

The following websites provide information used to administer loans and LDP's.

Website Content	Website Address
FSA Intranet Home Site (internal)	*-- https://intranet.usda.gov/FPAC
FSA Home Site (Public)	https://www.fsa.usda.gov
PSD Website (public)	https://www.fsa.usda.gov/resources/price-support
PSD Intranet Website	https://usdagcc.sharepoint.com/sites/FPAC-FSA-DAFPHub-PriceSupportDivision
Loan Rates	https://www.fsa.usda.gov/programs-and-services/price-support/commodity-loan-rates
LDP Rates	https://www.fsa.usda.gov/resources/price-support/commodity-loan-rates
Economic and Policy Analysis	https://www.fsa.usda.gov/resources/economic-policy-analysis
Fact Sheets	https://www.fsa.usda.gov/news-room/fact-sheets --*

3 Related Handbooks and Websites (Continued)

C Useful Websites (Continued)

Website Content	Website Address
Forms	For: •*--employees, https://intranet.fsa.usda.gov/dam/ffasforms/forms.html • public, https://forms.sc.egov.usda.gov/eForms/welcomeAction.do?Home
Handbooks	For: • employees, https://intranet.fsa.usda.gov/dam/handbooks/handbooks.asp • public, https://www.fsa.usda.gov/news-events/laws-regulations/fsa-handbooks
Laws and Regulations	https://www.fsa.usda.gov/news-events/laws-regulations--*
* * *	* * *
News Releases	*-- https://www.fsa.usda.gov/news-events/news
Notices	https://www.old.fsa.usda.gov/programs-and-services/laws-and-regulations/notices/index
Price Support	https://www.fsa.usda.gov/resources/price-support
SORS	https://intranet.fsa.usda.gov/fsa/applications.asp • CLICK “G-O” • CLICK “Loans/LDP - SORS - State Office Reporting System”.--*
View Archived LDP/PCP	https://apps.fsa.usda.gov/acr/
Software Applications	https://intranet.fsa.usda.gov/fsa/applications.asp
*--Commodity Loan Processing System	https://intranet-apps.fsa.usda.gov/clps/
Loan Deficiency Payment System	https://apps.fsa.usda.gov/usda_scc_gateway/ldp/app/home--*

*--**Note:** Exhibit 3 provides a consolidated list of helpful website links.--*

3 Related Handbooks and Web Sites (Continued)

D State Supplements

SED's are authorized to issue State supplements to any FSA handbook.

Note: Additional State supplements may:

- **not** be issued to simply state verbatim policies already established in the national handbook
- be issued:
 - when the national handbook does **not** provide complete guidance
 - to provide additional guidance for employees with limited experience
 - when State law requirements are **not** specifically addressed in the national handbook.

E SORS Reports

SORS is a web-based system that provides reports and information on MAL's and LDP's, including detailed information on specific MAL's and LDP's to State Office specialists and field staff with SORS access.

Note: For authority to access SORS, FSA-13-A must be signed and submitted by a supervisor. The request will be submitted using the FPACNow portal at https://usdafpacbc.servicenowservices.com/fpac?id=fpacnow_intake&intake=ms_intake&sys_id=32b0dc14dbd523008ebefd721f961992.

SORS is accessed from the FSA Intranet (<http://intranet.fsa.usda.gov/fsa/applications.asp>) and the MAL SORS link is as follows: <http://intranet.fsa.usda.gov/sors/catalog>.

- CLICK "G-O"
- CLICK "MAL SORS-State Office Reporting System".

3 Related Handbooks and Web Sites (Continued)

E SORS Reports (Continued)

Following are examples of some reports on SORS:

- LDP Agreement Detail
- Loan and LDP summary - National, State and County
- LDP Detail
- LDP Explorer
- LDP Explorer with Producer
- Producer Query
- Loan Detail
- Producer Loan Maturity
- County Loan Maturity
- Loan Explorer
- Loan Explorer with Producer
- Producer Query
- CCC Loans by Class
- Loan maturity - National, State and County
- Loan forfeitures – National, State and County
- Loans outstanding – National State and County
- Loan and LDP activity by count or amount
- Certificate repayment summary
- Congressional district MAL and LDP summary
- Cumulative activity of both MAL's and LDP's
- Loan and LDP gain – National and State
- Gain summary – National
- Certificate exchange detail – State
- Ad hoc queries.

4-9 (Reserved)

Section 2 Responsibilities**10 Administrative Responsibilities****A Responsibilities**

[7 CFR 1421.2] The responsibilities of the administrative levels for loan and LDP programs are provided in this table.

IF the administrative level is the...	THEN...
National Office	• the CCC Board and Executive Vice President will determine policy and program provisions • the Executive Vice President, CCC, or designee, will: • make a determination on any question arising under this program • revise or rescind an incorrect determination made by COC, STC, or agency working conjunctly with FSA • PSD will administer the loan and LDP programs under the general supervision and direction of DAFP.

10 Administrative Responsibilities (Continued)

A Responsibilities (Continued)

IF the administrative level is the...	THEN...
State Office	STC will: • determine State-wide policy according to this handbook and guidance received from the National Office • administer all phases of the program in the State through SED • establish and annually review the maximum acceptable moisture levels for applicable commodities • annually review or select a designee to spot check COC's determined: • reasonable estimate of yields for each commodity • yields for producers harvesting commodities as other than grain • require DD's or designee to: • monitor and ensure that loan and LDP computations and disbursements are based on handbook procedures • ensure second party reviews of loans and LDP's are completed • develop, establish, and implement Statewide policy according to subparagraph 542 B. Note: STC may: • correct, or require COC to correct, any action taken that contradicts this handbook and other current policy • require COC to withhold taking any action that is not consistent with this handbook and other current policy.

10 Administrative Responsibilities (Continued)

A Responsibilities (Continued)

IF the administrative level is the...	THEN...
County Office	COC will: - determine policy according to this handbook and guidance received from the State Office - for each loan commodity, document the beginning of harvest and eligible quantity yield in the COC minutes Note: COC maximum yields must be updated under the “COC Yield” tab according to 17-PS. - administer the programs in the county through CED.
	County Office will: - determine that: - a producer is eligible for loans and LDP’s according to Part 2, Section 1 - the commodity is eligible for loans and LDP’s according to Part 2, Section 2 - the storage is eligible according to paragraph 522 for farm-stored and warehouse-stored loans - the quantity offered for loan and LDP is reasonable based on producer’s share of the acreage planted to the commodity - loan computations and disbursements and LDP computations and payments are based on handbook procedures - ensure that second party reviews of loans and LDP’s are completed according to paragraph 234 - ensure that CCC-770 checklists are completed according to paragraphs 23 and 1106 - the quantity certified does not include quantities delivered to CMA’s - procedures listed in subparagraph 542 A are followed

10 Administrative Responsibilities (Continued)

A Responsibilities (Continued)

IF the administrative level is the...	THEN...
County Office (Continued)	• annually publicize provisions of loan and LDP programs before: • the beginning of each crop year • making loans and LDP's for the current crop year. Note: At a minimum, publicity must include: • a handout or newsletter mailed or e-mailed to all eligible producers before harvest begins for the first crop eligible for loans or LDP's • beneficial interest requirements • at the time the loan or LDP is made, a brief but complete explanation of the producer's required actions • a reminder to producers: • of the administrative actions that apply for loan and LDP violations • that it is the producer's responsibility to maintain the quality of the commodity in farm storage through the term of the loan • final loan availability dates. Ensure that producers understand and agree to their responsibilities stated in CCC-601 (Exhibit 4).

10 Administrative Responsibilities (Continued)

A Responsibilities (Continued)

IF the administrative level is the...	THEN...
AMS	AMS will: • follow guidelines in subparagraph 542 C • approve and terminate UGRSA warehouse storage agreements in States listed in subparagraph 541 C Note: This includes: • enforcing provisions of agreements, where applicable • paying charges and settling amounts due CCC under the agreement • making the list of approved and authorized warehouses available to State and County Offices via the Internet • issue loading orders and shipping instructions • maintain custody of warehouse receipts and other documents representing commodities owned by CCC • daily establish market prices as required and provide to State and County Offices • weekly establish market prices for pulse crops and provide to the National Office • assist County Offices with identifying potential buyers for local sales, if necessary • will annually determine and update premiums and discounts for wheat, feed grains, oilseeds, cotton, rice, and pulse crops.

10 Administrative Responsibilities (Continued)

A Responsibilities (Continued)

IF the administrative level is the...	THEN...
PDD	PDD will: • provide automation support to implement loan and LDP program policies when requested by PSD • develop MAL and LDP software • support administrative software including LPAS, RQMS, and SORS.
OGC	regional OGC will: • serve as legal counsel and provide opinions to the State Office • assist the assistant U.S. attorney when representing FSA in Federal court.
OIG	regional OIG will: • review cases to determine whether investigations will be scheduled • investigate cases of suspected fraud.
FPAC EPAD	FPAC EPAD will: • annually compute State and county loan rates for wheat, feed grains, oilseeds, cotton, rice, and pulse crops • weekly establish market prices for rice, peanuts, cotton, wool, and mohair • monthly establish CCC honey survey prices.

10 Administrative Responsibilities (Continued)**B Nondiscrimination Responsibilities**

STC or COC will **not**, on the basis of race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity bar any producer from participation in, or otherwise subject any producer to discrimination with respect to any benefits resulting from its approval to participate in, a loan or LDP program.

C Outreach Responsibilities

STC and COC must ensure that LDP and MAL program information and awareness is communicated to underrepresented individuals, groups, and communities.

11-19 (Reserved)

Section 3 Administrative Provisions**20 Appeals****A Options Available**

When notifying producers of adverse decisions, County Offices will follow 1-APP to provide appeal options that are applicable depending on the agency decision maker.

B Appeal Procedure

Follow 1-APP when producers appeal adverse determinations arising from their participation in the loan and LDP programs.

Exception: When a determination to accelerate the loan maturity date on a loan is appealed, see subparagraph C.

C Producer Appeals

When a producer appeals a determination to call a loan and/or accelerate the loan maturity date:

- the appeal process is handled independently of the loan servicing action according to 1-APP
- continue to take or perform all necessary loan servicing actions according to the original decision until or unless a different appeal decision results.

D Repaying Loans During Appeal Process

A producer may repay a loan, at the CCC-determined value under the marketing loan provisions, for which an appeal process is in effect. Situations that require repayments of principal plus interest are listed in paragraph 714.

For any repayments made during the appeal process, insert the following statement in the “Remarks” section of the CCC-500M: “This repayment does not release the borrower from any administrative actions”.

21 Applicability of Soldiers' and Sailors' Civil Relief Act of 1940

A Applicable Borrowers

The Soldiers' and Sailors' Civil Relief Act of 1940 applies to MAL borrowers who are either:

- on active duty anywhere in the world and are active-duty members of any of the following:
 - U.S. Air Force
 - U.S. Army
 - U.S. Coast Guard
 - U.S. Marine Corps
 - U.S. Navy
- officers of the Public Health Service detailed by proper authority for duty with the U.S. Army or U.S. Navy.

Notes: Active duty includes members of the:

- Reserve or National Guard units who have been called to active-duty status
- referenced branches in training or education under U. S. supervision preliminary to induction into the military service.

The term “active duty” also includes the period during which a person in military service is absent from duty because of sickness, wounds, leave, or other lawful cause.

B Applicable Loans

The Soldiers' and Sailors' Civil Relief Act of 1940 applies to warehouse- and/or farm-stored loans secured with personal or real property **before** the borrower entered active military service.

21 Applicability of Soldiers' and Sailors' Civil Relief Act of 1940 (Continued)**C Relief Available**

Types of relief offered include the following.

- Relief from foreclosure, sale, or seizure of property for nonpayment of a loan obligation, during the period of active military service, or within 3 months thereafter, unless done according to an agreement with CCC or through a court order.

Example: Commodity under loan may be forfeited at loan maturity to settle an outstanding loan. However, if the producer does **not** settle the loan, either by cash repayment or forfeiture, CCC may **not** take foreclosure action to acquire the commodity to settle a loan.

- Treasury and internal administrative offsets will be discontinued once a producer is ordered to report for induction or military service, and any payments received as a result of offset after the date the borrower was called to active duty will be refunded.
- Interest rates for applicable loans may **not** exceed 6 percent during the period of active military service.

21 Applicability of Soldiers' and Sailors' Civil Relief Act of 1940 (Continued)**D County Office Action**

County Offices will:

- advise borrowers to notify the County Office if they are full-time members of the military or have been called to active-duty status, whether or **not** their financial situation has been adversely affected
- help the borrower properly execute powers of attorney to designate persons to perform CCC transactions on their behalf
- request minimal documentation to support a request for relief from affected borrowers, such as a copy of orders calling them to active service
- cease any ongoing foreclosure actions against applicable borrowers
- accept and process requests for financial relief according to failure to fully comply policy in 7-CP.

Note: Forward all requests applicable to the Soldiers' and Sailors' Civil Relief Act of 1940 to DAFP for final consideration and approval. Further instructions and guidance about interest rate reductions will be sent with the applicable approval notification. At the minimum, requests must provide the following:

- interest rates applicable to MAL
- copy of CCC-677 or CCC-678
- outstanding loan quantity and principal
- all repayment receipts.

22 Bankruptcy Cases

A Basic Provisions

Follow this table for producers in bankruptcy status.

IF a producer...	AND...	THEN the County Office must...	
is involved in bankruptcy proceedings	requests a loan or LDP	contact the regional attorney, through the State Office, for advice about loan or LDP availability. Note: Permission from the bankruptcy court specifically allowing the producer to receive CCC loans and LDP's is normally required before a loan or LDP can be processed. Permission can be included in the confirmed bankruptcy plan or a special order.	
files for bankruptcy	has an outstanding loan	after receiving a Notice of Bankruptcy filing for a producer, follow these steps.	
		Step	Action
		1	Perform an immediate collateral inspection of all the producer's outstanding farm-stored commodity loans and quantities applicable to LDP's.
		2	Continue to monitor the collateral in storage through the latest of the following: • liquidation of indebtedness • completion of performance under a plan, if applicable • submission, as applicable, of disposition or production evidence.
		3	Access the debtor's customer profile in financial services and set the indicator flag for "bankruptcy".
		4	Forward a summary memorandum and legible copies of the following, as applicable, to the State Office: • results of the collateral inspection • completed, signed copies of CCC-677, CCC-678, financing statements, and any other documentation to support amounts owed to CCC.
		5	Notify the State Office immediately if loan collateral is going out of condition or is removed or disposed without authority.
		6	Continue to forward all future notices from the court to the State Office.

22 Bankruptcy Cases (Continued)**B State Office Action**

State Offices will:

- inform regional attorney of the bankruptcy filing
- monitor bankruptcy cases with the regional attorney's assistance
- follow advice of the regional attorney with respect to acceptance of repayment or before accepting delivery of loan collateral
- advise regional attorney of all legal notices received pertaining to bankruptcy proceedings.

C County Office Action

County Offices must make certain that a producer in bankruptcy is not sent any notification or demand letters. If the producer is flagged in Financial Services as being in bankruptcy, NRRS will not send notification or demand letters.

D Bankruptcy Proceedings

State or County Office employees must **not** attend bankruptcy proceedings, unless requested by the OGC representative.

23 CCC-770 LDP and CCC-770 MAL**A Using CCC-770 LDP and CCC-770 MAL**

CCC-770 LDP and CCC-770 MAL are management tools to help minimize the number of improper payments and address deficiencies identified by a review or spot check.

At the beginning of **each** crop year all County Office employees working with LDP's and MAL's are required to complete:

- CCC-770 LDP for the first 5 LDP's processed
- CCC-770 MAL for the first 3 MAL's processed.

Note: SED's may require new employees or employees processing LDP's and MAL's for the first time, to complete more than the required number of CCC-770's.

SED, STC or designee, DD, or CED will determine:

- when County Offices are to complete additional CCC-770 LDP and CCC-770 MAL, if apparent internal control deficiencies are found during CED, STC representative, DD, or CORP reviews
- when additional internal controls are necessary to reduce improper payments.

CCC-770 LDP or CCC-770 MAL, as applicable, is **required** to be completed for any LDP or MAL that was disbursed, reversed with a receivable established, and is being re-entered, **before** the LDP or MAL is re-entered to ensure that all eligibility requirements and signatures have been obtained.

See paragraph 1106 for an example of CCC-770 Grazing.

23 CCC-770 LDP and CCC-770 MAL (Continued)

B CCC-770 LDP

The following is an example CCC-770 LDP.

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CCC-770 LDP (02-23-26)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Producer/Applicant Name	2. Date of Application (MM/DD/YYYY)				
LOAN DEFICIENCY PAYMENT (LDP) PROCESSING CHECKLIST				3. Administrative State <i>Name Code</i>	4. Administrative County <i>Name Code</i>				
				5. Crop Year	6. LDP Application Number				
				7. Commodity/Class/Type	8. Farm Number (Not Required)				
INSTRUCTIONS: Properly completed forms mean completed according to the applicable procedure. This shall include proper signatures, shares, ID numbers, addresses, date stamp, etc.									
PART A – LDP REQUEST / APPLICATION									
Question	Applicable Reference	Yes	No	N/A	Initials				
1. Has page 1 of the CCC-633 EZ been accepted by the county office after signatures? (Note: If "NO", LDP cannot not be approved.)	8-LP, Paragraphs 1002 and 1007; 7-CN, Subparagraph 287F, and Paragraph 288 and 289	☐	☐	☐					
2. Was the CCC-633 EZ Page 1 filed prior to loss of beneficial interest? Explain "NO" answer: (Note: If "NO", LDP request cannot not be approved.)	8-LP, Paragraph 1002 7-CN, Paragraphs 288 and 305	☐	☐	☐					
3. Was the CCC-633 EZ, Page 1 accepted by a county office employee, after all required signatures had been obtained?	8-LP, Paragraphs 2 and 1007; 7-CN, Paragraph 14 and 289	☐	☐	☐					
4. Was the completed CCC-633 EZ, Page 1 and applicable LDP benefit request page (page 2, 3 or 4) received in the county office on or before the final loan / LDP availability date?	8-LP, Paragraph 226; 7-CN, Paragraph 291	☐	☐	☐					
5. Was CCC-633 EZ, Page 1 and applicable LDP benefit request page (Page 2, 3 or 4) completed according to instruction, and signed by all applicable and required producers?	8-LP, Paragraph 1007; 7-CN, Paragraph 289	☐	☐	☐					
6. Do individuals signing in a representative capacity have the documentation on file in the county office allowing them to sign for that individual or entity and request an LDP?	8-LP, Paragraph 1007; 7-CN, Paragraph 45	☐	☐	☐					
7. Are CCC-633 EZ, page 1 and pages 2, 3, or 4 date-stamped and was the date of receipt verified according to procedure?	8-LP, Subparagraph 1001E; 7-CN, Paragraph 291	☐	☐	☐					
8. Did the producer answer the question, "Are you or any co-applicant delinquent on any Federal Non-tax debt?"	8-LP, Subparagraph 202A; 7-CN, paragraph 101	☐	☐	☐					
9. Has a second party reviewer verified and initialed the applicable LDP benefits page (CCC-633 EZ, Page 2, 3 or 4) to ensure the applicable LDP request was properly completed and ready for approval and processing?	8-LP, Paragraph 234; 7-CN, Paragraphs 301 and 303	☐	☐	☐					
10. Is the applicable page 2, 3 or 4 approved by an COC or CCC representative, after all producers signatures have been obtained?	8-LP, Paragraphs 200 and 1007; 7-CN, Paragraphs 14, 288 and 301	☐	☐	☐					

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23 CCC-770 LDP and CCC-770 MAL (Continued)

B CCC-770 LDP (Continued)

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CCC-770 LDP (02-23-26)						Page 2 of 3
PART B – PRODUCER / COMMODITY ELIGIBILITY						
Question	Applicable Reference	Yes	No	N/A	Initials	
1. Has the County Office verified that the farm(s) on which the crop requested for this LDP was produced is listed on the "Farms with Fully Reported Cropland" from CARS? If this LDP request is prior to the final crop reporting date in the State, does the applicant understand that if the farm(s) is not on this list after the final crop reporting date, all production from that farm is ineligible for LDP? (Not applicable for CMA's)	8-LP, Paragraph 200 2-CN, Paragraphs 16 and 318 7-CN, Paragraph 100	☐	☐	☐		
2. Is the quantity requested for LDP within the COC established reasonable yield for the commodity RQMS record?	8-LP, Paragraph 230, 7-CN, Subparagraph 119B	☐	☐	☐		
3. If the requested quantity exceeds more than 10% of COC established reasonable yield, did the COC determine the quantity reasonable?	8-LP, Paragraph 230, 7-CN, Subparagraph 119C	☐	☐	☐		
4. If LDP is based upon date beneficial interest is lost, was acceptable production evidence provided and was the LDP rate verified? Explain "NO" Answer:	8-LP, Paragraphs 227 and 1004; 7-CN, Paragraph 290	☐	☐	☐		
5. Is LDP rate correct for request date and county where marketed or stored, if beneficial interest is maintained? <i>(N/A for cotton)</i>	8-LP, Paragraph 1004	☐	☐	☐		
6. Is LDP rate correct for "Dates of Delivery", if LDP requested based on date of delivery? <i>(N/A for cotton)</i>	8-LP, Paragraph 1004	☐	☐	☐		
PART C – LDP PROCESSING						
Question	Applicable Reference	Yes	No	N/A	Initials	
1. For LDP's exceeding \$100,000, has CCC-674 or SF-LLL been obtained, before LDP is processed?	8-LP, Paragraph 28	☐	☐	☐		
2. Has the FSA Financial Services Web Application (FSAFS) been updated to reflect assignments, if applicable?	63-FI, Parts 3 and 4	☐	☐	☐		
3. Has LDP request been checked to ensure all eligibility requirements are met before approval?	8-LP Paragraph, 1001	☐	☐	☐		
4. Has LDP been printed, filed in LDP folder?	19-PS, Paragraph 142	☐	☐	☐		
PART D – COTTON – SPECIFIC LDP PROCESSING						
Question	Applicable Reference	Yes	No	N/A	Initials	
1. If request is for a module-lock-in LDP, is the request date after the beginning-of-harvest-date for the County?	7-CN, Paragraph 304	☐	☐	☐		
2. If request is for a module-lock-in LDP, does production evidence from the gin indicate that the bales were produced from the modules identified on the original application?	7-CN, Paragraphs 304 and 290	☐	☐	☐		
3. Has CCC-Cotton AA-1 been printed, filed in LDP folder and a copy given to producer?	7-CN, Subparagraph 317I	☐	☐	☐		

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23 CCC-770 LDP and CCC-770 MAL (Continued)

B CCC-770 LDP (Continued)

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CCC-770 LDP (02-23-26)		Page 3 of 3
PART E – CERTIFICATION		
<i>I (we) the undersigned certify the above items have been verified or updated accordingly. I also certify that the applicable LDP documents will be filed in accordance with handbook 32-AS and that the producer will receive the applicable LDP documentation according to policies and procedures found in applicable handbooks.</i>		
1A. Signature of Preparer(s)	1B. Date (MM/DD/YYYY)	
2A. Signature of Preparer(s)	2B. Date (MM/DD/YYYY)	
3A. Signature of 2 nd Party Reviewer	3B. Date (MM/DD/YYYY)	
4A. I concur/do not concur the above items have been verified and updated. ☐ Concur ☐ Do Not Concur		
4B. CED / STC Designee Signature	4C. Date (MM/DD/YYYY)	
5A. I concur/do not concur the above items have been verified and updated. ☐ Concur ☐ Do Not Concur		
5B. DD Signature for Spot Check	5C. Date (MM/DD/YYYY)	
6. Remarks		

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23 CCC-770 LDP and CCC-770 MAL (Continued)

C CCC-770 LDP Instructions

Complete CCC-770 LDP according to the following. instructions.

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Item	Instructions
1	Enter name of producer. This should be the name of the individual, joint operation, or entity for which benefits may be requested.
2	Enter date of LDP application.
3 – 4	Enter administrative State and County Office.
5	Enter crop year.
6	Enter LDP application number.
7	Enter the commodity/class/type.
8	Enter the farm number. (This is not required)
Part A – LDP Request/Application	
1 – 11	Employee answering question must: - CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” - enter initials in box where indicated. - enter date in box where indicated. Note: For CCC-770 LDP questions not applicable, CHECK (✓) “N/A” and initial.
Part B – Producer/Commodity Eligibility	
1 – 6	Employee answering question must: - CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” - enter initials in box where indicated. - Enter date in box where indicated. Notes: For CCC-770 LDP questions not applicable, CHECK (✓) “N/A” and initial. Question 1 is not applicable to CMA’s.
Part C – LDP Processing	
1 – 4	Employee answering question must: - CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” - enter initials in box where indicated. - enter date in box where indicated. Note: For CCC-770 LDP questions not applicable, CHECK (✓) “N/A” and initial.

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23 CCC-770 LDP and CCC-770 MAL (Continued)

C CCC-770 LDP Instructions (Continued)

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Item	Instructions
Part D – Cotton – Specific LDP Processing	
1 – 3	Employee answering question must: - CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” - enter initials in box where indicated. - enter date in box where indicated. Notes: For CCC-770 LDP questions not applicable, CHECK (✓) “N/A”. Questions in Part D 1 through 3 are only applicable to cotton LDP’s.
Part E – Certification	
1A – 2B	At the time of completing the LDP request, all preparers must sign and date.
3 A – B	Enter signature and date of second party reviewer.
4 A – C	CED or STC Designee completing checklist must: - CHECK (✓) appropriate box to designate either “Concur” or “Do Not Concur” - provide signature and date
5 A – C	DD completing checklist must: - CHECK (✓) appropriate box to designate either “Concur” or “Do Not Concur” - provide signature and date.
6	DD will provide applicable remarks Note: This item will only be completed if the applicable CCC-770 LDP is selected for spot check.

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23 CCC-770 LDP and CCC-770 MAL (Continued)

D CCC-770 MAL

The following is an example CCC-770 MAL.

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CCC-770 MAL (02-26-26)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Producer/Applicant Name	2. Date of Application (MM/DD/YYYY)	
MARKETING ASSISTANCE LOAN (MAL) PROCESSING CHECKLIST (FOR ALL COMMODITIES EXCEPT COTTON)		3. Administrative State <i>Name Code</i>		4. Administrative County <i>Name Code</i>		
		5. Crop Year		6. Loan Number		
		7. Commodity/Class/Type		8. Warehouse Code		
		INSTRUCTIONS: Properly completed forms mean completed according to the applicable procedure. This shall include proper signatures, shares, ID numbers, addresses, date stamp, etc.				
9. Loan Type		10. Warehouse Receipts				
Warehouse Stored		Farm Stored		Paper	EWR	
PART A – MAL PRODUCER / COMMODITY ELIGIBILITY VERIFICATION						
Question		Applicable Reference	Yes	No	N/A	Initials
1. Does the producer or entity meet the definition of an eligible producer?		8-LP Paragraph 200	☐	☐	☐	
2. Has the FSA-578 been completed and signed for the specific commodity requested? <i>(The crop report needs to be fully reported for the commodity requested)</i>		8-LP Paragraph 200	☐	☐	☐	
3. Has the AD-1026 been signed in accordance with 6-CP and 1-CM by the producer?		8-LP Paragraph 200	☐	☐	☐	
4. Has the CCC-902E or 902I completed according to 6-PL?		8-LP Paragraph 200	☐	☐	☐	
5. Has the County Office verified that this MAL request is prior to the final crop reporting date, does the applicant understand that if the farm(s) is not reported before the final crop reporting date, all production from that farm is ineligible for MAL? <i>(Not applicable for CMA's)</i>		8-LP, Paragraph 200	☐	☐	☐	
6. Is a CCC-10 properly completed, signed and on file for all types of loan applications and for all producers on the loan?		8-LP Paragraph 502	☐	☐	☐	
7. Has the CCC-666 been signed and completed?		8-LP, Paragraph 524	☐	☐	☐	
8. Has the CCC-666 been reviewed to ensure the producer answered the question, "Are you or any co-applicant delinquent on any Federal non-tax debt?"		8-LP, Paragraphs 202, 523 and 524	☐	☐	☐	
9. Has commodity eligibility <i>(in existence and in storable condition)</i> been verified via certification on CCC-666 or by measurement service?		8-LP, Paragraphs 225, 522 and 525	☐	☐	☐	
10. Is the quantity requested within the COC-established reasonable yield for the commodity based on the RQMS record?		8-LP, Paragraph 230	☐	☐	☐	
11. If the requested quantity exceeds COC established reasonable yield by more than 10 percent, did the COC determine the quantity reasonable and document determination in COC minutes? <i>(Explain "NO" answer):</i>		8-LP, Paragraph 230	☐	☐	☐	

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23 CCC-770 LDP and CCC-770 MAL (Continued)

D CCC-770 MAL (Continued)

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CCC-770 MAL (02-26-26)		Page 2 of 3			
PART A – MAL PRODUCER / COMMODITY ELIGIBILITY VERIFICATION (cont.)					
Question	Applicable Reference	Yes	No	N/A	Initials
12. Has a second party review been properly completed on CCC-666? Ensure that CCC-666 was initialed by the reviewer.	8-LP, Paragraph 234	☐	☐	☐	
13. Will the producer have title and control in the commodity until the earlier of repayment or loan maturity?	8-LP, Paragraph 227	☐	☐	☐	
14. For warehouse stored commodities, county offices will review all documents and contracts or ensure the CCC-491 is completed.	8-LP, Paragraph 228	☐	☐	☐	
15. For warehouse-stored loans, has the paper receipt been properly endorsed by borrower or CCC made holder of the Electronic Warehouse Receipt (EWR)?	8-LP, Paragraph 548	☐	☐	☐	
16. If measurement service is requested, has the CCC-666 been completed and signed, and the applicable portions of the FSA-409 and CCC-677-1 been completed?	8-LP, Paragraph 524 and 525	☐	☐	☐	
PART B – MAL PROCESSING / APPROVAL					
Question	Applicable Reference	Yes	No	N/A	Initials
1. Has a lien search been performed, as applicable? Results of lien search must be printed and filed in the loan folder. <i>(Not applicable for CMA's)</i>	8-LP, Paragraph 503	☐	☐	☐	
2. Have all required lien waivers been signed by lienholders and are on file in the county office?	8-LP, Paragraph 504	☐	☐	☐	
3. Has the UCC-1 been properly filed and verification of the filing received on all farm stored loans? <i>(Not applicable for CMA's)</i>	8-LP, Paragraph 521	☐	☐	☐	
4. For DAFP authorized loan deductions, were the deductions submitted on a statement of charges signed by the producer?	8-LP, Paragraphs 550	☐	☐	☐	
5. Were authorized deductions and joint payments recorded according to lienholder instructions on CCC-679?	8-LP, Paragraph 508	☐	☐	☐	
6. Were CCC-683, Commodity Loan Seals provided for farm stored MAL?	8-LP, Paragraph 523, 524 and Exhibit 16	☐	☐	☐	
7. Has the CCC-665, Agreement for Grain Pledged as Collateral for CCC Commodity Loans, been properly completed and all required signatures obtained, if applicable for commingled production?	8-LP, Paragraph 527	☐	☐	☐	
8. Was the applicable loan rate for the stored commodity requested for loan verified? Note: Loan rate is based on where the commodity is stored.	8-LP Paragraph 505	☐	☐	☐	
9. For MAL disbursements greater than \$150,000, if loan proceeds will be used for lobbying, has SF-LLL been obtained?	8-LP, Paragraph 28	☐	☐	☐	

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23 CCC-770 LDP and CCC-770 MAL (Continued)

D CCC-770 MAL (Continued)

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CCC-770 MAL (02-26-26)		Page 3 of 3			
PART B – MAL PROCESSING / APPROVAL (cont.)					
Question	Applicable Reference	Yes	No	N/A	Initials
10. Are all required producer signatures on the CCC-677 or CCC-678, and all individuals signing in a representative capacity authorized to sign for the individual or entity with the required documentation on file in the County Office?	1-CM	☐	☐	☐	
11. Is the CCC-677 or CCC-678 approved by an individual delegated or re-delegated to approve these forms?	8-LP, Paragraphs 2 and 509	☐	☐	☐	
12. Is the approval the same day or after the date all producer signatures were obtained AND before processing the disbursement?	8-LP, Paragraph 508	☐	☐	☐	
PART C – CERTIFICATION					
<i>I (we) the undersigned certify the above items have been verified or updated accordingly. I also certify that the producer will be provided the applicable Note and Security Agreement and the Note and Security Agreement Terms and Conditions upon the approval of the requested marketing assistance loan and that the policies and procedures were followed according to the applicable handbooks.</i>					
1A. Signature of Preparer(s)		1B. Date (MM/DD/YYYY)			
2A. Signature of Preparer(s)		2B. Date (MM/DD/YYYY)			
3A. Signature of 2 nd Party Reviewer		3B. Date (MM/DD/YYYY)			
4A. <i>I concur/do not concur the above items have been verified and updated.</i> ☐ Concur ☐ Do Not Concur					
4B. CED / STC Designee Signature		4C. Date (MM/DD/YYYY)			
5A. <i>I concur/do not concur the above items have been verified and updated.</i> ☐ Concur ☐ Do Not Concur					
5B. DD Signature for Spot Check		5C. Date (MM/DD/YYYY)			
6. Remarks					

23 CCC-770 LDP and CCC-770 MAL (Continued)

E CCC-770 MAL Instructions

Complete CCC-770 MAL according to the following instructions.

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Item	Instructions
1	Enter name of producer. This should be the name of the individual, joint operation, or entity for which benefits may be requested.
2	Enter date of MAL application.
3 – 4	Enter administrative State and County Office.
5	Enter crop year.
6	Enter loan number.
7	Enter the commodity/class/type.
8	Enter the warehouse code
9	Enter the loan type
10	Enter the warehouse receipt type
Part A – MAL Producer/Commodity Eligibility Verification	
1 – 18	Employee answering question must: - CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” - enter initials in box where indicated. - enter date in box where indicated. Note: For CCC-770 MAL questions not applicable, CHECK (✓) “N/A” and initial.
Part B – MAL Processing/Approval	
1 – 12	Employee answering question must: - CHECK (✓) appropriate box to designate “Yes”, “No”, or “N/A” - enter initials in box where indicated. - Enter date in box where indicated. Notes: For CCC-770 MAL questions not applicable, CHECK (✓) “N/A” and initial. Question 1 is not applicable to CMA’s.

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23 CCC-770 LDP and CCC-770 MAL (Continued)

E CCC-770 MAL Instructions (Continued)

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Item	Instructions
Part C – Certification	
1A – 2B	At the time of completing the MAL request, all preparers must sign and date.
3 A – B	Enter signature and date of second party reviewer.
4 A – C	CED or STC Designee completing checklist must: - CHECK (✓) appropriate box to designate either “Concur” or “Do Not Concur” - provide signature and date
5 A – C	DD completing checklist must: - CHECK (✓) appropriate box to designate either “Concur” or “Do Not Concur” - provide signature and date.
6	DD will provide applicable remarks Note: This item will only be completed if the applicable CCC-770 MAL is selected for spot check.

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24 Collecting Commodity Assessments and Other Fees

A Applicability

[7 CFR 1405.9] The Secretary of Agriculture has the authority to collect approved State and Federal commodity assessments on behalf of State or Federal entities from the proceeds of MAL's. The assessment may be collected at the time MAL is disbursed or forfeited. The provisions outlined in this paragraph include new and existing collections.

Grain sorghum, peanuts, cotton, and soybeans have Federal assessments that would be collected in addition to any individual State assessment.

B Conditions for Collection

For State commodity assessments the State entity **must**:

- submit a written request for commodity assessment collection and a copy of the State legislation authorizing the commodity assessment to the applicable SED; the written request **must** indicate when the assessment is to be collected according to subparagraph A, and the name of the State entity director or official authorized to enter into an agreement with CCC
- provide a written opinion from the Office of the Attorney General that verifies SED or authorized official has legal authority to enter into an agreement with CCC and that the State legislation authorizing commodity assessment collection is in compliance with Pub. L. 108-470
- have the director or authorized signing official of the State entity sign MOU agreeing to the terms and conditions as provided in MOU according to subparagraph C.

For Federally mandated commodity assessments, the Federal entity **must** submit a written request and a copy of the Federal statute authorizing the commodity assessment collection to the PSD director.

CCC will deduct the commodity assessments according to the Federal statute.

24 Collecting Commodity Assessments and Other Fees (Continued)**C MOU's**

State entities are **required** to enter into an agreement with CCC for the collection of commodity assessments. The authorized SED or official will be **required** to sign MOU (subparagraph D), **before** assessment collection can begin.

For State entities, MOU will be sent to SED, if the request is approved, to obtain final signatures of the respective parties. State entities have 30 calendar days to return the signed and dated MOU to SED. SED or designee will sign MOU on behalf of CCC and submit the original signed and dated MOU to PSD as soon as possible.

24 Collecting Commodity Assessments and Other Fees

D Example MOU

The following is an example of an MOU that **must** be obtained to continue collecting existing commodity assessments.

MEMORANDUM OF UNDERSTANDING BETWEEN (name of State association, board, or commission) AND COMMODITY CREDIT CORPORATION 1. This Memorandum of Understanding is entered into voluntarily by the Commodity Credit Corporation (CCC) in accordance with Public Law 108-470 for the purpose of setting forth the agreement between the (association, board, or commission) and CCC regarding the collection of the assessments with respect to (specific commodity), the remittance of such collections, and related matters. This Memorandum of Understanding supersedes all previous Memoranda of Understanding entered into by CCC regarding such collections. 2. CCC will cooperate with the (association, board, or commission) in the collection of such assessments with respect to (specify commodity) which is pledged as collateral for a CCC MAL or forfeited to CCC in satisfaction of such loan. 3. Section _____, Revised Statutes of _____ authorizes the creation of the (name of State association, board, or commission) whose duties include, among other things, conducting programs of market development, education, publicity, research, and the promotion of the sale and use of (specific commodity). This Act provides authority for an assessment to be levied on (specific commodity) for the purpose of carrying out the activities of the (association, board, or commission). 4. The producer is responsible for payment of the assessment to the (association, board, or commission) with respect to (specify commodity) pledged as collateral for a CCC MAL or forfeited to CCC under such loan. CCC will undertake to deduct from loan proceeds otherwise owed the producer the amount of the assessment which will be determined by multiplying the applicable assessment rate by the quantities of (specify commodity) pledged as collateral for a CCC MAL or forfeited to CCC. CCC will have no obligation or liability for failure to collect the (specific commodity) assessment from any producer. The (association, board, or commission) agrees that, in the event of suit against CCC to recover any sums collected as assessments, the (association, board, or commission) will arrange for the defense of such action or, at the election of CCC, the (association, board, or commission) will reimburse CCC for any costs incurred by the CCC in the defense of such action. In addition, the (association, board, or commission) will indemnify CCC for any amount which CCC is required to repay to a (specify commodity) producer from whom the assessment was collected. 5. The producer's copy of the MAL or delivery documents, which will show the amount of the (specify commodity) assessment collected, will serve as the producer's invoice and evidence the assessment has been collected. In cases where double assessments have been paid by producers the (association, board, or commission) agrees upon receipt of substantiating documents to promptly grant a refund of the double assessment.

24 Collecting Commodity Assessments and Other Fees

D Example MOU (Continued)

6. The **(specify commodity)** assessments collected by CCC will be remitted monthly to the **(association, board, or commission)**. Each remittance will be supported by a listing showing the county code number and name of the office that made the collection, the loan or account number assigned, the crop year and quantity of **(specify commodity)** pledged for MAL or forfeited to CCC, the amount of the MAL or forfeiture, the amount of the assessment collected, and the producer's name, and address.

7. The **(association, board, or commission)** will **not** release any information received under this Memorandum of Understanding to any other individual or organization.

8. Any refund of the amount of such assessment will be made directly to the producer by the **(association, board, or commission)**. CCC will have no responsibility for making refunds.

9. CCC will **not** have any responsibility to make additional collection of any **(specify commodity)** assessment where, owed to error, the amount of such assessment was under collected. CCC will notify the producer of the amount owed as the result of an error and a copy of this notification will be provided to the **(association, board, or commission)**.

10. The provisions of this Memorandum of Understanding will **not** apply to **(specify commodity)** handled by a CCC-approved cooperative marketing association (CMA) or a CCC-approved designated marketing association (DMA). The **(association, board, or commission)** may arrange for the collection of assessments on such **(specify commodity)** directly with the approved CMA or DMA.

11. The effective date of this Memorandum of Understanding will be the final date of signature below. However, assessment collection hereunder will begin only after all applicable Farm Service Agency Offices in the State have received the assessment collection software, and the assessment deduction is scheduled to begin. This Memorandum of Understanding may be modified by mutual agreement between the parties in writing and may be terminated by either party thirty calendar days after written notice is provided to the other party.

(State association, board, or commission)

Date

By _____
Director

COMMODITY CREDIT CORPORATION

Date

By _____
(name of State) State Executive Director

04-01-23
Approval Date

24 Collecting Commodity Assessments and Other Fees (Continued)**E Deduction of Commodity Assessment**

Upon the approval and the receipt of properly signed MOU's, CLPS will be modified to deduct the commodity assessment, as applicable. Federal and State entities will be informed of the necessary automation enhancements associated with deducting the commodity assessment fees. Software enhancements could take as long as 8 weeks from the date PSD receives the properly signed and dated MOU or written request (Federal entities).

F Modifying an Existing Commodity Assessment Collection

Federal and State entities **must** submit to the applicable SED:

- written request for modifying an existing collection, indicating when the modified collection is to begin and the name of the Federal or State entity director or official authorized to enter into an agreement with CCC
- copy of the legislation authorizing the change in the rate
- method of collection, etc.

G Submitting Requests for New or Modified Commodity Assessment Collections

State Offices must email requests to PSD Director.

H New and Modified Commodity Assessment Approval or Disapproval

PSD will review each request for a new or modified commodity assessment collection and respond to the appropriate SED, in writing, with the determined preliminary approval or disapproval.

24 Collecting Commodity Assessments and Other Fees (Continued)**I Deducting Federal Grain Sorghum Commodity Assessment for Loan Collateral**

CCC has been authorized to collect the grain sorghum research and promotion fee from the proceeds of farm- or warehouse-stored MAL's when the loans are disbursed. A 0.6 percent of the net market value research and promotion fee will be deducted from the producer's loan proceeds based on the value of MAL at disbursement, in addition to any individual State assessment.

CCC will remit the collected fees to the National Grain Sorghum Board no later than 60 calendar days after the last day of the month in which they were offered as collateral for MAL.

Grain sorghum CMA's are responsible for collecting the research and promotion fee from the CMA disbursed loans and remitting the collection to the National Grain Sorghum Board. The first handler/purchaser is responsible for collecting and remitting all grain sorghum research and promotion fees for commercially purchased grain sorghum.

J Collection of the Federal Soybean Commodity Assessment

CCC has been authorized to collect the national soybean assessment and promotion fee when processing farm-stored soybean loan settlements and warehouse-loan forfeitures. The assessment is collected in loan settlement or forfeiture at the rate of 0.5 percent of the settlement value.

K Collection of Federal Peanut Commodity Assessment

CCC has been authorized to collect the national peanut assessment and promotion fee when processing both farm and warehouse stored peanut disbursements. The assessment is collected at the rate of 1 percent of the full volume (quantity) of the loan.

L Collection of Federal Cotton Commodity Assessment

CCC has been authorized to collect the national cotton assessment and promotion fee when processing warehouse stored upland cotton disbursements. The assessment rate collected is \$1 per bale plus a supplemental assessment of 0.5 (.005) percent of the total loan value of the cotton according to 7-CN, paragraph 171.

25 Incorrect Loan or LDP Rate or Incorrect Quantity Used

A Incorrect Loan Rate or Quantity Used

If an incorrect loan rate or quantity was used because of a data entry error, follow this table.

IF an incorrect loan rate or quantity for loan was used that results in money owed...	THEN...
CCC	• cancel the loan according to 16-PS • complete CCC-770 MAL before re-recording • reissue the loan with the correct loan rate or quantity according to 16-PS that will result in an overdisbursement of the loan • verify the receivables in NRRS. Notes: The proceeds from the new loan will be applied to the receivables with separate receivables established for the original amount paid to the producer, loan service fee, assessments, and peanut load-in charges, only if applicable. The initial notification letters will be issued through NRRS for any balance owed. The loan service fee must not be changed or overridden.

25 Incorrect Loan or LDP Rate or Incorrect Quantity Used (Continued)

A Incorrect Loan Rate or Quantity Used (Continued)

IF an incorrect loan rate or quantity for loan was used that results in money owed...	THEN...
the producer and the loan has been repaid to zero	if all of the repayments were repaid at principal plus interest, no additional action is necessary.
	if 1 or more of the repayments were repaid as a market loan repayment or with a CCE: • cancel the repayments according to 16-PS • cancel the loan according to 16-PS • complete CCC-770 MAL before reissuing • reissue the loan with the correct loan rate or quantity according to 16-PS that will result in an under disbursement of the loan • verify the receivables in NRRS. Note: The proceeds of the new loan will be applied to the receivables. An additional disbursement will be issued to the producers and any lienholders on the original disbursement. • re-enter the repayments according to 16-PS, that were removed when the loan was corrected. Note: It is possible that the producer did not remit the correct amount needed for the repayment. Additional money must be collected, or the remittance can be adjusted according to 16-PS, paragraph 719 if amount short is \$9.99 or less.

25 Incorrect Loan or LDP Rate or Incorrect Quantity Used (Continued)

A Incorrect Loan Rate or Quantity Used (Continued)

IF an incorrect loan rate or quantity for loan was used that results in money owed...	THEN...
the producer with the loan having an outstanding balance and the producer requests the additional disbursement	• notify the producer of the under disbursement • if the producer requests the additional disbursement in writing, proceed as follows: • if applicable, cancel any repayment • cancel the loan in CLPS according to 16-PS Note: Receivables will be established in NRRS. • complete CCC-770 MAL before re-reentering • reissue the loan with the correct loan rate or quantity which will result in an additional disbursement and repay the receivables established above when the original loan was reversed. • if applicable, re-enter any repayments.
the producer with the loan having an outstanding balance and the producer does not request to receive the additional disbursement	if the loan is later: • repaid in full and all payments were paid principal and interest, no additional action is necessary • repaid as a market loan gain repayment or a CCE: • follow the instructions in the box above to cancel the loan and process the additional disbursement • re-enter any repayments removed when the loan was cancelled • record the market loan gain repayment • delivered to CCC at maturity: • follow the instructions above to cancel the loan and process the additional disbursement • re-enter any repayments removed when the loan was cancelled • process the settlement according to Part 8.

25 Incorrect Loan or LDP Rate or Incorrect Quantity Used (Continued)

B Incorrect LDP Rate or Quantity Used

If an incorrect LDP rate or quantity was used because of a data entry error, follow this table.

IF an incorrect LDP rate or quantity for LDP was used that results in money owed to...	THEN...
CCC	• correct the LDP application as necessary • complete CCC-770 LDP before re-recording • re-record LDP in automated system with the correct LDP rate or quantity that will result in an overpayment of LDP • verify the receivable in NRRS. Note: Follow 15-PS or 19-PS, as applicable, to correct LDP.
the producer	• correct the LDP application as necessary • complete CCC-770 LDP before re-recording • re-record LDP in the automated system with the correct LDP rate or quantity that will result in an underpayment of LDP • verify the payable in NPS.

26 Interest Rates and Calculations

A Interest Applicable to Loans

The interest rate:

- applicable to CCC loans will be:
 - equal to the interest rate announced by CCC for the month in which the loan is approved
 - adjusted on January 1 to equal the interest rate announced for the month of January by CCC
- is assessed at the rate applicable to the loan, subject to January 1 adjustment, from the disbursement date to the **earlier** of the following:
 - second day before date of repayment for loans disbursed through NPS
 - settlement date.

See 50-FI for applicable interest rates.

The monthly interest rates announced for 1996 and subsequent crop years include the additional 1 percent applicable to loans. This additional 1 percent is **not** applicable to LDP's.

26 Interest Rates and Calculations (Continued)**B Interest Applicable to Violations**

The interest rate for:

- a loan violation is the interest rate applicable to the loan according to subparagraph A
- LDP violations is the interest rate applicable to CCC loans, **excluding** the additional 1 percent, for the month in which LDP was made.

C Manually Calculating Interest

Interest is calculated by CLPS for transactions processed through CLPS. When CLPS is inoperable, interest may be manually computed.

For regular loan repayments:

- interest is computed on a daily basis from the date of disbursement to, but **not** including, the second day before the date of repayment
- when different interest rates apply, interest is computed from date of:
 - disbursement to, but **not** including, the effective date interest changed
 - interest change to, but **not** including, date of repayment, or date another rate change occurs.

Note: If the interest period includes February 29, include February 29 in the number of days computed, **but** divide the total number of days by **365** when computing the interest.

27 IRS Reporting and Abandonments

A Market Gains, LDP's, and Forfeitures and Abandonments

Market gains and LDP will be reported to IRS for Federal income tax assessment purposes and inclusion on CCC-1099-G (62-FI).

Settlements, forfeitures, and abandonments are reported to IRS on CCC-1099-A (62-FI).

28 Lobbying Activity Provisions

A Applicability

Lobbying disclosure requirements apply to applicants and recipients of loan proceeds exceeding \$150,000 or LDP's exceeding \$100,000.

B Filing Forms

Applicants **must** file the forms specified in the following table for **each** LDP exceeding \$100,000 and for all loans exceeding \$150,000 where the loan proceeds will be used to lobby or otherwise influence the actions of a Federal official about a particular loan.

IF monies received have...	THEN...
not or will not be used to lobby or otherwise influence the action of a Federal official about a particular loan	CCC-674 is not required because CCC-601(6)(i) contains lobbying disclosure requirements. Loan applicants certify to compliance when signing CCC-677 or CCC-678.
not or will not be used to lobby or otherwise influence the action of a Federal official about a particular LDP	file CCC-674 (subparagraph C). Note: CCC-674 is needed for all LDP's exceeding \$100,000.
or will be used to lobby or otherwise influence the action of a Federal official about a particular loan or LDP	file SF-LLL (subparagraph D). CCC-674 is not required because CCC-601(6)(i) contains lobbying disclosure requirements. Loan applicants certify to compliance when signing CCC-677 or CCC-678. Note: File SF-LLL-A, if applicable (subparagraph E).

Note: Lobbying activity provisions apply to individual loans and LDP's **not** the producer/entity's cumulative total.

28 Lobbying Activity Provisions (Continued)

C Example of CCC-674

The following is an example of CCC-674.

CCC-674 (11-15-16)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	Form Approved - OMB No. 0348-0046
CERTIFICATION FOR CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS		
NAME AND ADDRESS OF RECIPIENT		
TRANSACTION DOCUMENT (Loan No., Contract No., CCC-6 No(s), Check No., etc.)		PROGRAM YEAR
<i>To comply with lobbying disclosure requirements (31 U.S.C. 1352), applicants for and recipients of: 1) A Federal loan exceeding \$150,000; or 2) A Federal contract, grant, or cooperative agreement payment exceeding \$100,000 must file, with the disbursing office:</i> <i>A. If they have not or will not use monies received for lobbying purposes, CCC-674.</i> <i>B. If they have or will use monies received for lobbying purposes, SF-LLL.</i>		
CERTIFICATION		
The undersigned certifies, to the best of his or her knowledge and belief, that: (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.		
_____ RECIPIENT SIGNATURE	_____ DATE	
According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0348-0046. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.		
<i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i>		
<i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i>		
<i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20260-9410; (2) fax: (202) 690-7442; or (3) email: program.intakes@usda.gov. USDA is an equal opportunity provider, employer, and lender.</i>		

28 Lobbying Activity Provisions (Continued)

D Example of SF-LLL

The following is an example of SF-LLL.

Approved by OMB No. 0348-0046		
DISCLOSURE OF LOBBYING ACTIVITIES Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 (See Reverse for public burden disclosure.)		
1. Type of Federal Action: ☐ a. contract ☐ b. grant ☐ c. cooperative agreement ☐ d. loan ☐ e. loan guarantee ☐ f. loan insurance	2. Status of Federal Action: ☐ a. bid/offer/application ☐ b. initial award ☐ c. post-award	3. Report Type: ☐ a. initial filing ☐ b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: ☐ Prime ☐ Subawardee Tier _____, if known: Congressional District, if known: _____		5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known: _____
6. Federal Department/Agency: Congressional District, if known: _____		7. Federal Program Name/Description: CFDA Number, if applicable: _____
8. Federal Action Number, If known: Congressional District, if known: _____		9. Award Amount, If known: \$ _____
10. a. Name and Address of Lobbying Registrant <i>(If individual, last name, first name, MI):</i>		b. Individuals Performing Services <i>(Including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.		Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

28 Lobbying Activity Provisions (Continued)

D Example of SF-LLL (Continued)

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be a prime or subaward receipt. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g. "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in Item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name and Middle Initial (MI).
11. Certifying official shall sign and date the form, print his/her name, title and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

28 Lobbying Activity Provisions (Continued)

E Example of SF-LLL-A

The following is an example of SF-LLL-A.

DISCLOSURE OF LOBBYING ACTIVITIES CONTINUATION SHEET		Approved by OMB 0348-0048
Reporting Entity: _____	Page _____ of _____	
Authorized for Local Reproduction Standard Form - LLL-A		

28 Lobbying Activity Provisions (Continued)

F County Office Action

County Offices must follow procedures in this table each time an LDP exceeding \$100,000 is requested or each time a loan exceeding \$150,000 is requested where the loan proceeds will be used to lobby or otherwise influence the actions of a Federal official about a particular loan or LDP.

Step	Action
1	Provide the applicant a copy of CCC-674, SF-LLL, and SF-LLL-A with instructions, to complete and return the applicable form to the County Office.
2	Disburse the loan or LDP after the applicant returns the completed CCC-674, SF-LLL, or SF-LLL-A, as applicable, to the County Office.
3	File the original CCC-674, SF-LLL, and SF-LLL-A in the County Office.

Note: CCC-601(6)(i) contains lobbying disclosure requirements. Loan applicants certify to compliance when signing CCC-677 or CCC-678. Therefore, for loans exceeding \$150,000 where the loan proceeds will **not** be used to lobby or otherwise influence the actions of a Federal official about a particular loan, CCC-674, SF-LLL, and SF-LLL-A are **not** required.

G Assistance

For situations **not** covered in this paragraph, County Offices must contact PSD through their State Office price support specialist for additional assistance.

29 Misaction/Misinformation and Finality Rule

A Misaction/Misinformation Provisions

Follow 7-CP if an otherwise eligible producer is deprived of the benefits of the loan and LDP programs because administering the programs resulted in:

- errors
- misaction
- misinformation
- omissions.

B Definition of Misaction/Misinformation

[7 CFR Part 718] Misaction/misinformation means performance rendered in good faith based on action of, or information provided by, an authorized COC or STC representative.

C Applicability

Misaction/misinformation is **not** applicable when producers:

- knew, or had sufficient reason to know, that the action or advice on which the producer relied was improper or erroneous
- relied or acted upon their own understanding or misinterpretation of program provision, notices, or advice.

D Reason to Know

Misaction/misinformation policies do **not** apply to cases where a producer has reason to suspect the information was erroneous or the action to be improper.

There is **no** legal authority to grant relief in cases where misaction/misinformation **cannot** be determined.

E Equitable Relief for Misaction/Misinformation and the Finality Rule

See 7-CP for policies and procedures for granting equitable relief.

30 Offsets**A Basic Provisions**

Offsets are applicable for amounts owed CCC, FSA, or other creditor agencies. The offset amount may be shown on CCC-679 or established as the result of a claim against the producer.

Make administrative offsets from loan or LDP proceeds owed to producers, if appropriate.

B Joint Disbursement of Loan Proceeds

The balance of the loan proceeds may be disbursed jointly to the producer and lienholder **after** applicable administrative offsets to CCC, FSA, or other creditor agencies according to 58-FI, have been made when the lienholder requests joint disbursement on CCC-679 for:

- recorded lien
- unrecorded lien, if **actual** notice of lien is given to the County Office.

For other creditor agency debts received in the County Office:

- **before** the filing date of any recorded lien or notification of an unrecorded lien, the lienholder **must** agree to the creditor agency debt offset **before** disbursement of loan proceeds jointly to the producer and lienholder by checking CCC-679, item 5, block (c)
- **after** the filing date of any recorded lien or notification of an unrecorded lien, the creditor agency debt will be offset **only** if the lienholder agrees to disburse the loan proceeds solely to the producer by checking CCC-679, item 5, block (a).

30 Offsets (Continued)**C Authorizing Offsets**

A loan disbursement can be offset to provide for charges other than in-handling, if the warehouse receipt indicates in-handling charges have been provided for or paid.

For all commodities using EWR's, the prepaid in-handling indicator **must** be set to "Y" to indicate in-handling charges have been provided for or paid, for the quantity to be eligible for a warehouse-stored MAL.

Producers **must** provide acceptable documentation specifying that all in-handling charges have been provided for or paid **before** either of the following:

- a warehouse-stored MAL will be disbursed for the commodity
- recording settlement of a forfeiture farm-stored MAL.

Note: See subparagraph 540 E.

Offsets may be made for amounts contained on a separate statement of unpaid charges, or for a separate bill for unpaid charges, if **both** of the following apply:

- charges on the statement or bill are associated with other than handling of the commodity represented by the warehouse receipt
- charges have been approved by DAFP.

These charges are **not** considered a lien, but **must** be included on CCC-679, item 5, block (c), if an offset will be made for the charges (paragraph 505).

If an offset applies, do **not** disburse the loan unless the lienholder agrees to the offset on CCC-679 by checking item 5, block (a) or (c). If any lienholder checks item 5, block (b), the loan must **not** be approved.

30 Offsets (Continued)**D Offsets From Other Program Payments**

A producer with an outstanding MAL may request the County Office to offset other specific payments to apply to a specific outstanding MAL. Any requests **must** be in writing, including submission via email, and are only applicable if the commodity is still in storage.

If requested and according to 63-FI, County Office must:

- set the “Other Agency Claim” flag in Financial Services
- request applicable payment be made to CCC and sent to County Office
- apply to applicable outstanding MAL as a “lump sum” repayment
- **not** establish a receivable in NRRS to offset a payment.

31 Overdisbursements, Overpayments, and Receivables

A Producer Liabilities

A producer is personally liable for repaying:

- any loan amount disbursed or LDP exceeding the amount authorized, including any charges plus applicable interest
- any deficient amount determined to be owed CCC, plus interest.

B Notifying Producers

For loans and LDP's, producers will be notified of amounts owed of \$24.99 or more in writing, according to Exhibit 11. Take action, as applicable, according 58-FI and the following.

IF...	THEN...
the overdisbursement or overpayment is not because of a loan or LDP violation	collect the amount owed as follows: • for loans, if the amount owed is \$9.99 or less and is discovered: • before settlement, do not collect immediately; however, collect on the next repayment • after settlement, do not send the producer a demand letter; immediately write off the small balance according to 16-PS • for LDP's if the amount owed is \$24.99 or less, write off the small balance according to 64-FI.
a receivable is created because an amount remitted to CCC is less than the amount required	if the total amount outstanding is: • \$24.99 or less, write off the small balance according to 64-FI • more than \$9.99 with outstanding loan balance, collect on next repayment • more than \$9.99 with no outstanding loan balance, follow NRRS procedures.

Note: CLPS will allow small balance adjustments of \$9.99 or less. Follow 58-FI for procedure for amounts owed between \$10 and \$24.99.

***--32 Payment and AGI Limitation for 2019 Through 2031 Crops**

A Payment Limitation for 2019 Through 2031 Crops

There is no payment limitation for crop years 2019 through 2031 crops.

B AGI Limitation Rule for 2019 Through 2031 Crops

A person or legal entity will **not** be eligible to receive market loan gains or LDP benefits during the **2019 through 2031** crop years if the average AGI exceeds \$900,000.--*

Exception: The person or entity is eligible for MAL, but the loan **must** be repaid at principal plus interest, unless a commodity certificate is used to exchange the commodity.

33 Prompt Payment Act

A Applicability

The Prompt Payment Act, as administered by FMD, requires CCC, according to 61-FI, to pay a late payment interest penalty on the amount of loan disbursements and LDP's if **all** of the following apply:

- documentation is provided
- the payment is **not** made by the due date in subparagraph B
- all eligibility requirements are met.

B Payment Due Dates

This table provides the payment owed dates for loan and LDP purposes.

IF the program is for...	THEN the payment due date is...
loan agreements	30 calendar days after the County Office receives an application with all required documentation and signatures. Note: County Offices must make every effort to process loans expeditiously when all required documentation and signatures have been received.
manual loan repayments that result in overcollection	the eighth workday after the following: • repayments are recorded through CLPS • loans are determined to be overpaid.

33 Prompt Payment Act (Continued)

B Payment Due Dates (Continued)

IF the program is for...	THEN the payment due date is...
LDP's	30 calendar days from the date the producer provides all information needed to complete the LDP request. All documentation needed to determine producer eligibility must be in the applicable County Office by the final availability date for LDP's for the requested commodity. This information includes, but is not limited to, the following: • acreage certification • AD-1026's for producer and all affiliated persons Note: Includes farm plans. • all signatures, as applicable • applicable CCC-902's according to 6-PL Note: The following are no longer requirements for MAL or LDP: • actively engaged in farming • cash rent tenant • member contributions. • CCC-941 for producer and interest holders in a legal entity according to 6-PL • certifies the quantity Notes: For commodities harvested as other than grain and quantity is certified in acres, the prompt payment due date is 30 calendar days from the date COC determines the maximum eligible quantity according to paragraph 336. COC is required to establish the maximum eligible quantity within 30 calendar days from the date all required information is available. • delivery date if the date of delivery is needed to determine the applicable LDP rate • requesting LDP on CCC-633 EZ, page 1 and the applicable benefits page (2, 3, or 4). Notes: County Offices must determine maximum quantity eligible before LDP payments can be made. Every effort must be made to process LDP's expeditiously as soon as all required information has been received.

33 Prompt Payment Act (Continued)

B Payment Due Dates (Continued)

IF the program is for...	THEN the payment due date is 30 calendar days...
settlements	after County Office receives all of the following: - properly completed warehouse receipt - if applicable, CCC-691 for the commodity subject to the settlement - documentation required to complete the transaction.
payments that are the subject of an ongoing judicial action, including when the payee has filed for bankruptcy	after judicial action is completed.

C Paying Prompt Payment Interest

County Offices must pay prompt payment interest when payment dates, according to subparagraph B and 61-FI, are **not** met. Maximum prompt payment interest is 1 year's interest (360 days).

The prompt payment interest rate is issued semiannually, by notice, and included in 50-FI.

34-44 (Reserved)

Section 4 Warehouse Status Notification

45 Notification of UGRSA Warehouse Status

A Notification

AMS will notify PSD, and the applicable SED's, of the following on KC-232:

- newly approved warehouses
- reinstated warehouses
- removed warehouses
- terminated warehouses.

Note: See subparagraph B for an example of KC-232.

PSD will notify the appropriate State Offices of the applicable warehouse status by providing a copy of KC-232, when notified by AMS.

State Offices must notify the appropriate County Offices of the warehouse status changes by providing a copy of KC-232, when notified by PSD and/or AMS, and obtain information requested by PSD.

B States Without an Operating Warehouse Licensing Program (UGRSA Required)

The following States do **not** have an operating warehouse licensing program and warehouse operators will **be** required to execute a UGRSA for MAL purposes:

• Alaska	• New Jersey
• Arizona	• New Mexico
• California	• New York
• Connecticut	• North Carolina
• Delaware	• Oregon
• Florida	• Pennsylvania
• Hawaii	• Rhode Island
• Maine	• Utah
• Maryland	• Vermont
• Massachusetts	• Virginia
• Nevada	• West Virginia.
• New Hampshire	

Note: This listing is based on USDA's interpretation of current State laws.

C Example of KC-232

The following is an example of KC-232.

See reverse side for Privacy Act, Public Burden, and Nondiscrimination Statements.						OMB Exempt				
KC-232 (12-10-19)	U. S. DEPARTMENT OF AGRICULTURE Farm Service Agency Post Office Box 419205 Kansas City, Missouri 64141-6205					Agrmt. Type	CSA HSA PCSA	PSA SSA UGRSA	AGREEMENT NO.	NOTICE DATE
NOTICE OF APPROVAL OR CHANGE IN STATUS OF STORAGE AGREEMENT/SCHEDULE OF WAREHOUSES						WAREHOUSE CODE		FEDERAL LICENSE NO.	INITIATOR'S REFERENCE LINE	
						WAREHOUSE LOCATION (City, County, State)				
NAME AND ADDRESS OF WAREHOUSE OPERATOR										
☐ APPROVED			Capacity		☐ TERMINATED					
☐ New Agreement					The above Storage Agreement is being terminated as of this date, under conditions explained below, reserving to CCC and other interested parties all rights and privileges which may have accrued under the agreement.					
☐ Addition - New Code					☐ DELETED					
☐ Capacity Change - From:			To:		The above warehouse(s) is being deleted from the above Storage Agreement as of this date, under conditions explained below, reserving to CCC and other interested parties all rights and privileges which may have accrued under the agreement.					
☐ OTHER (See explanation below.)					☐ REINSTATED					
☐ REMOVED FROM LIST					The warehouse(s) described above is being reinstated to CCC's List of Approved Warehouses as of this date. CCC owned or loan commodities, or commodities delivered to CCC for purchase under a price support program subject to the terms of the above agreement can, until further notice be stored or handled through this warehouse(s).					
EXPLANATION OF CHANGE										
COMMODITY CREDIT CORPORATION: BY: _____ CONTRACTING OFFICER										
TO: SED, State FSA Office						PUBLIC ANNOUNCEMENT				
FROM: Director, Kansas City Commodity Office						☐ Should be made (please notify interested counties)				
COPIES TO:						☐ Should NOT be made				
DISTRIBUTION (Check all applicable designations)										
☐ SED, State FSA Office						☐ KC-1117				
☐ State Licensing Authority						☐				
☐ Warehouse Licensing & Examination Division - EB and/or LB						☐ GIMS:				
☐ Contract Reconciliation Division - FRB						☐ PCIMS:				
☐ Contract File Copy						☐ Other:				
☐ Reading File Copy										

45 Notification of UGRSA Warehouse Status (Continued)

C Example of KC-232 (Continued)

KC-232 (REVERSE)

PRIVACY ACT AND PUBLIC BURDEN STATEMENTS

The authority for entering the information identified on this form is 7 CFR Part 1423, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171). The information will be used to inform the storing warehouse operator of approval or if there is a change in the contract status. The information 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated).

The authority for collecting the following information is Public Law 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

NONDISCRIMINATION STATEMENT

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

45 Notification of UGRSA Warehouse Status (Continued)

D Warehouse Status Changes

Follow this table when a warehouse has been newly approved, removed, terminated, or reinstated from the approved list.

Step	Applicable Office	Action
1	AMS	Inform PSD and the appropriate SED when a particular warehouse has been newly approved, removed, terminated, or reinstated from the approved list and include the following information on the KC-232: • reason for the approval, removal, termination, or reinstatement • whether a public notice should be made.
2	PSD	Contact the appropriate SED and State Office to: • notify them of the change in the status of a particular warehouse • request specific information depending on the status change. Based on the status change, the following may be applicable: • if the warehouse has been removed from the approved list, send a copy of KC-232 received from AMS • public notice announcing the approval, removal, termination or reinstatement may be required based on the advice of AMS. Note: The State Office may provide additional suggestions for the public notice. Exercise caution in using reasons not fully investigated and established by AMS.
3	State Office	Immediately contact the appropriate County Office to: • notify them of the change in the status of a particular warehouse • request specific information depending on the status change. Advise County Offices to refer inquiries on the reasons for removal to either of the following: • AMS • manager of the warehouse.
4	County Office	Post a copy of KC-232 in the County Office, in a public place, for 30 calendar days.

45 Notification of UGRSA Warehouse Status (Continued)

E Warehouse Termination

Follow this table when a warehouse is terminated.

Step	Applicable Office	Action
1	AMS	Inform PSD and the appropriate SED when a particular warehouse is terminated.
2	PSD	Contact the appropriate SED and State Office to: • notify them that a particular warehouse has been terminated • provide policy and instructions for accelerating the maturity date on all outstanding MALs in the terminated warehouse.
3	State Office	Immediately identify County Offices with outstanding MALs in the terminated warehouse by generating the warehouse loan summary report in SORS. Notify the applicable County Offices of the termination and acceleration of the maturity date, including PSD instruction when the maturity date of the loan is accelerated.
4	County Office	Identify warehouse-stored loans in the terminated warehouse. If any outstanding loans in the county include commodities stored in the terminated warehouse, issue a letter to each loan borrower according to PSD instructions on accelerating the maturity date. Follow up to ensure the actions required when the maturity date of a loan is accelerated are completed timely. Accelerate the maturity date according to instructions received from PSD, except for producers who have filed bankruptcy. For producers who have filed bankruptcy, County Offices will: • send a letter explaining the situation to both of the following: • regional attorney, through the State Office • AMS via the National Office • follow the advice of the regional attorney.

46 Violations and Suspected Violations by Warehouse Operator

A Necessary Action by County Offices

When a violation of the storage agreement or loan and LDP regulations is discovered or suspected, the County Office must immediately notify the State Office of the circumstances.

B Necessary Action by State Offices

When a violation of the storage agreement or loan and LDP regulations is discovered or suspected, the State Office must notify AMS via the National Office

47-199 (Reserved)

Part 2 Common Loan and LDP Provisions

Section 1 Producer Eligibility

200 Eligible Producers

A Definition of Eligible Producer

[7 CFR 1421.4] Eligible producer means a person or legal entity that:

- has complied with annual program requirements including:
 - reporting acreage for **all** cropland on the farms according to 2-CP

Notes: FSA-578's must be obtained for the specific commodity on the farm before MAL disbursements and LDP and Graze-Out benefits are received for that specific commodity. All cropland on the portions of the farm, in which the producer has an interest, for which the commodity pledged as collateral for MAL, and LDP or Graze-Out payment was produced, must be reported before the final reporting deadline or late filed according to FSA-578 rules. Failure to report all cropland on a farm will be considered noncompliance with program requirements. See 2-CP, Part 3 for fully reported acreage requirements. Producers are not responsible for tracts in which they have no interest, if not rented or owned by the specific producer.

To help ensure that the farm is in compliance, County Offices must manually review the CARS report "Farms with Fully Reported Cropland" for all producers requesting loans, LDP's and Graze-Out payments before disbursing loans and processing LDP's and/or Graze-Out payments. If a farm number is listed on the CARS "Farms with Fully Reported Cropland" report, the farm is to be considered fully reported and in compliance, and all production from the farm is eligible for MAL, LDP and Graze-Out payments. The "Farms with Fully Reported Cropland" report reflects the tolerance in the preceding paragraph.

The ineligible farm numbers **must not** be included on CCC-633 EZ, CCC-666, CCC-677, CCC-678 or CCC-633 Grazing.

If there are 2 or more **separate** operations under the **same** farm number in the same County Office, a reconstitution should be performed according to 10-CM.

- completing AD-1026 according to 6-CP for producer and all affiliated persons
- completing CCC-941 for producer and all interest holders in a legal entity according to 6-PL

200 Eligible Producers (Continued)**A Definition of Eligible Producer (Continued)**

- completing applicable CCC-902 according to 6-PL

Notes: CCC-902 is required for foreign person determination on both loans and LDP's. See subparagraph 203 A.

CCC-902, and CCC-901 if an entity, is required for market loan gains and LDP's. In addition, the COC **must** make the determinations member contribution.

- has a beneficial interest in the eligible commodity for which a loan or LDP is requested
- shares in the risk of producing the applicable commodity.

Notes: See Exhibit 8 for eligibility requirements for MAL's and LDP's. All applicable eligibility forms must be signed and returned to the office by the loan or LDP final availability date.

Producer must have a share in the commodity on the FSA-578 to populate the Customer Reasonable Quantity Record used to determine eligible quantity.

The person or legal entity may be any of the following:

- landowner
- landlord or waterlord
- tenant
- sharecropper.

Exception: States, local governments, political subdivisions, and agencies thereof, are eligible for loans, market loan gains, and LDP's with respect to land owned by the State, if the payments and benefits are used to support public schools. See 6-PL for additional information.

Legal entity means the entity either:

- owns land or an agricultural commodity, product, or livestock
- produces an agricultural commodity, product, or livestock.

200 Eligible Producers (Continued)**B Company or Other Legal Entity**

An eligible producer may be an irrigation company, usually applicable to rice, or other legal entity that provides **all or part** of the following that are necessary to produce and harvest a crop:

- equipment
- labor
- land
- water.

C Estates and Trusts

An eligible producer may be an estate or trust, including any of the following:

- receiver of an insolvent debtor's estate
- executor or an administrator of a decedent's estate
- guardian of any of the following:
 - an estate
 - a ward
 - an incompetent person
- trustees of a trust estate, if their representative authority is legally valid (1-CM).

200 Eligible Producers (Continued)**D Minors**

A minor may be an eligible producer; however, signature requirements in 1-CM **must** be met.

E Heirs of Deceased Producer

An eligible producer may be an heir of a deceased producer, whether succession of interest occurs before or after harvest, when **all** of the following apply:

- succeeds to the beneficial interest of the deceased in the commodity, including purchase from other heirs
- assumes the decedent's obligation under a loan if a loan has already been obtained
- for farm-stored loans, ensures that safe storage continues
- completes CCC-686, according to paragraph 205, when the heirs want to obtain or assume a loan and either of the following applies:
 - there will be no administration or probate of the estate
 - administration or probate of the estate is closed.

F Hybrid Seed Contract Producer Eligibility

When determining if a producer under a hybrid seed contract is eligible for MAL or LDP, the County Office will **not** consider existing hybrid seed contracts when determining beneficial interest eligibility. However, all other MAL and LDP program requirements are applicable.

Note: The contract **must:**

- specify that it is a hybrid seed contract
- be for an eligible loan commodity.

201 Ineligible Producers

A Ineligibility

Ineligible producers are producers who:

- have **not** reported acreage for all cropland on the farms/tracts in which they have a farming interest requesting MAL and/or LDP for the current crop year according to 2-CP

Notes: FSA-578's **must** be obtained for the specific commodity on the farm **before** MAL disbursements and LDP benefits are received for that specific commodity.

Example: A request for a wheat MAL requires all wheat acreage to be reported, even if spring seeded crop acres have not been reported yet, because the acreage reporting deadline has occurred.

Wool, mohair, and honey producers are excluded from this requirement if they do not have any other farming interest or eligible cropland.

Producers are not required to report other tracts within a farm in which they do not hold an interest, such as tracts operated by producers in which they do not share in the commodity.

- do not have a share of the crop as reported on FSA-578
- violate WC and HELC provisions according to 6-CP

Note: A producer is ineligible for MAL and LDP if the producer or any affiliated person violates WC and/or HELC provisions.

- have **not** complied with applicable program requirements according to paragraphs 200, 1000, and 1100
- are convicted under Federal or State law of a controlled substance violation according to 1-CM
- have a delinquent nontax debt to the Federal Government according to paragraph 202
- violate FCIC provisions as determined by FCIC.

202 Delinquent Federal Nontax Debtors

A DCIA Rule

DCIA mandated a new eligibility requirement for persons seeking Federal financial assistance. DCIA provides that a person owing a delinquent Federal nontax debt to the Federal Government is ineligible for Federal financial assistance, including direct loans (other than disaster loans), loan insurance, or guarantees.

This table provides action that County Offices must take when a producer is a delinquent Federal nontax debtor.

IF the...	THEN...
delinquent Federal nontax debt has been resolved before the final loan availability date	use the rate in effect on the day the original LDP or MAL request was made.
producer certifies that he or she has an unresolved delinquent Federal nontax debt	hold the request until the final loan availability date and if the producer does not resolve the delinquent Federal nontax debt before the final loan availability date, immediately notify the producer that he or she is ineligible and the request is disapproved.

Notes: See 58-FI for alternate methods for resolving delinquent Federal nontax debts.

See subparagraphs E and F for additional information about DCIA.

For barring delinquent debtors from obtaining Federal financial assistance purposes, a debt is **not** in delinquent status if the debtor is the subject of, or has been discharged in, a bankruptcy proceeding. Producers with an unresolved delinquent Federal nontax debt **are** considered eligible to receive MAL or LDP if the unresolved delinquent Federal nontax debt is the subject of a bankruptcy proceeding.

Producers owing tax debt to IRS may still be eligible for MAL or LDP as long as all other eligibility and program requirements are met. See subparagraph 503 A for MAL's.

202 Delinquent Federal Nontax Debtor (Continued)**B MAL's or LDP's Issued Before a Delinquent Federal Nontax Debt Is Discovered**

If it is discovered, after MAL or LDP is issued, that the producer has a Federal nontax debt that becomes delinquent, the County Office must:

- notify the producer that the delinquent Federal nontax debt **must** be resolved **before** the final loan availability date
- discuss, with the producer, alternatives to resolve the delinquent Federal nontax debt
- inform the producer that, if MAL was obtained and the delinquent Federal nontax debt is **not** resolved **before** the final loan availability date, the maturity date of the MAL **must** be immediately accelerated and the loan **must** be repaid at principal plus interest
- inform the producer that, if LDP was received and the delinquent Federal nontax debt is **not** resolved **before** the final loan availability date, LDP **must** be repaid with interest.

C Producer Incorrectly Certifies to the DCIA Question

If it is discovered that a producer incorrectly certified to the DCIA question, the County Office **must**:

- immediately notify the producer that the maturity date of the loan has been accelerated and the loan **must** be repaid at principal and interest
- follow procedures in Part 4 for LDP or MAL violations.

If the producer has resolved the delinquent debt and COC makes a good faith determination, then MAL or LDP may be disbursed.

202 Delinquent Federal Nontax Debtor (Continued)**D Delinquency Resolution**

For DCIA purposes, a producer's delinquent debt is resolved **only** if the producer does 1 of the following:

- pays or otherwise satisfies the delinquent debt in full
- pays the delinquent debt in part if the creditor agency accepts partial payment as a compromise instead payment in full
- cures the delinquency under terms acceptable to the creditor agency in that the person pays any overdue payments, plus all interest, penalties, late charges, and administrative charges assessed by the creditor agency because of the delinquency
- enters into a written repayment agreement with the creditor agency to pay the debt, in whole or in part, under terms and conditions acceptable to the creditor agency.

Note: If a portion of a debt has been written off or compromised instead of payment in full, after the person has paid the debt in part through an approved payment agreement, the debt would be considered "resolved".

Follow 58-FI, Part 9 for working out debts by installments.

202 Delinquent Federal Nontax Debtor (Continued)**E Additional Information About Delinquent Federal Nontax Debt**

This example represents a farm program delinquent debt.

As a result of LDP spot check, the producer over-certified to production and was overpaid \$50; therefore, the County Office will establish a receivable through NRRS, according to 16-PS.

F DCIA Questions and Answers**Q1. If a producer has an unresolved delinquent Federal nontax debt, can the producer lock-in on CCC-697?**

A1. No. If the producer has an unresolved delinquent Federal nontax debt at the time of the CCC-697 request, the producer can only repay at principal plus interest.

Q2. If a partnership applies for LDP and 1 member (25 percent shareholder) of the partnership has a delinquent Federal nontax debt, is the partnership eligible to receive LDP?

A2. Yes. The partnership will receive 75 percent of LDP and the delinquent debtor's pro-rata share (25 percent shareholder) of the partnership is offset and applied to the delinquent Federal nontax debt.

Q3. Are delinquent producers who enter into Federal agency-approved payment agreements eligible for LDP's and MAL's if the producer is current on the payment agreement?

A3. Yes. The producer is eligible if the producer is able to resolve the delinquent Federal nontax debt with the creditor approved payment agreement on or before the date MALs and LDPs are issued.

202 Delinquent Federal Nontax Debtor (Continued)

F DCIA Questions and Answers (Continued)

Q4. If a producer forwards the MAL disbursement or payment from LDP to cover part or all of the producer's delinquent Federal nontax debt, can LDP or MAL be issued?

A4. Yes, as long as an approved payment agreement has been completed according to 58-FI and the MAL disbursement or payment from LDP is applied to the delinquent debt under the terms of the approved payment agreement.

Notes: It is the creditor agency and the producer who develop the terms in the approved payment agreement that will resolve the delinquent Federal nontax debt. If the LDP will resolve the delinquent Federal nontax debt in full or in part, the producer may apply the LDP to the delinquent Federal nontax debt and make acceptable payment arrangements with the creditor for the remainder of the delinquent Federal nontax debt. For FLP purposes, at the time of disbursement LDP or MAL **must** cure the delinquency in full.

If a portion of the debt has been written off, after the person has paid the debt in part and where the creditor agency accepts this partial payment as a compromise instead of payment in full, the entire debt would be deemed resolved.

Q5. If a producer repays MAL and a market gain is earned and it is later discovered that the producer had a delinquent Federal nontax debt at the time of the MAL repayment, is the producer entitled to retain market gain?

A5. No. The producer **must** repay the market gain with interest since it was discovered that he/she had a delinquent Federal nontax debt at the time of MAL repayment.

Q6. If 2 producers sign the same CCC-633 EZ, page 2 and Producer A is not delinquent debtor, but Producer B has a delinquent Federal nontax debt, can FSA pay Producer A his/her share of LDP?

A6. Yes. Producer A is entitled to receive his/her share of LDP and, if Producer B resolves the delinquent Federal nontax debt before the final loan availability date, he/she then will be entitled to receive his/her share of LDP.

203 Eligible Foreign Person

A Foreign Person Eligibility

See 6-PL to determine eligibility requirements for foreign persons.

The applicable CCC-902 is needed to be on file at the time of MAL disbursement or LDP request to determine foreign person status. This must be provided by the final loan or LDP availability date and before a determination can be made.

B Handling Disbursements Involving an Ineligible Foreign Person

If a County Office determines that an ineligible foreign person has received a loan or LDP disbursement, the County Office will follow this table.

IF a loan or LDP has been disbursed to...	THEN...
an ineligible foreign person	notify the producer according to Exhibit 5, subparagraph M.
a cooperative for a commodity delivered to the cooperative by an ineligible foreign person	contact the State Office for instructions.

Note: At loan disbursement, CLPS will automatically reduce the disbursement if the producer or any member of an entity is an ineligible foreign person.

204 Eligible CMA's

A Approved CMA's

[7 CFR Part 1425] CMA's approved to participate in loan and LDP programs may obtain loans and LDP's for their eligible producer members.

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

B Determining Producer Eligibility

If program year requirements are in effect for the crop year, producer eligibility will be determined according to 1-CMA, Part 7.

205 Deceased Producers**A Notification to Heirs**

When the County Office learns that a producer is deceased and has outstanding loans, the County Office must:

- send a certified letter, drafted on the advice of the regional attorney, to the fiduciary representative, heirs, or other persons in charge of settling the estate that notifies them:
 - of the existence of the outstanding CCC loan
 - that the loan is covered by a security agreement or secured by pledged warehouse receipts
- attach a copy of the letter to the loan papers on file in the County Office.

B Application for Loan or LDP by Heirs

CCC-686 must be completed for a deceased producer when:

- heirs want to obtain or continue a loan or request LDP
- there will be no administration or probate of the estate
- administration or probate of the estate is closed.

If CCC-686 has **not** been executed by the appropriate party for a deceased producer who has outstanding loans, the:

- County Office will immediately notify the State Office
- State Office will forward notification of deceased producers to the regional attorney for appropriate action.

State Offices will post loan and/or LDP request details to the MAL/LDP SharePoint site if an individual with a share of the crop on the FSA-578 is deceased **and** either the estate or heirs have requested a loan, LDP or Graze-Out payment.

See 1-CM for additional information and signature requirements for heirs or estates of deceased individuals.

205 Deceased Producers (Continued)**C Completing CCC-686**

Complete an original and 1 copy for each person signing CCC-686 according to the following table.

Note: Items **not** listed on this table are self-explanatory.

Item	Instructions
3	Enter current loan number, if applicable.
9 and 10	Enter name, address, and relationship of all persons inheriting the commodity, even though the persons are not related to the deceased.
11 and 12	Enter names and relationship of all persons assuming farming unit, even though the persons are not related to the deceased.
13-16	Enter name of any heir who is a minor or an incompetent. Enter name and address and capacity of the representative of this person.
17F	Heirs must answer.
18A-C	Heirs, or representative of heirs, who have inherited the commodity and who are requesting a loan or LDP, must sign CCC-686 and indicate title and date.

D Distributing CCC-686

Distribute CCC-686 as follows:

- file the original in the County Office
- provide a copy to each person signing CCC-686.

205 Deceased Producers (Continued)

E Example of CCC-686

The following is an example of CCC-686.

This form is available electronically.

CCC-686 (12-18-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. NAME AND ADDRESS OF COUNTY FSA OFFICE Any County FSA Office 999 Any Road Town, ST 99999	
APPLICATION FOR LOAN OR LOAN DEFICIENCY PAYMENT BY HEIRS (On a commodity produced by a person who has died) <i>See Page 2 for Privacy Act Statement.</i>				TELEPHONE NO. (Include Area code): 999-999-9999	
				2. ST. & CO. CODES 99-999	3. APPLICATION NUMBER 9999
				4. CROP YEAR 2010	5. COMMODITY Corn
6. NAME OF DECEASED PERSON Able Farmer		7. DATE OF DEATH (MM-DD-YYYY) 11-09-20XX		8. DEATH OCCURRED BEFORE HARVEST ☐ AFTER HARVEST ☒	
9. PERSONS INHERITING COMMODITY (Name and Address)				10. RELATIONSHIP TO DECEASED	
Imma Farmer, 9999 Any Road, Town, ST 99999				Spouse	
11. NAMES OF PERSONS ASSUMING FARMING UNIT (Include heirs in Item 9) (Address if not already listed in Item 9)				12. RELATIONSHIP TO DECEASED OR CAPACITY	
If any person shown in Item 9 or 11 above is a minor or incompetent, furnish the following:					
13. NAME OF MINOR OR INCOMPETENT		14. NATURE OF DISABILITY (if any)		15. REPRESENTATIVE OF PERSON SHOWN IN ITEM 13	
				16. CAPACITY (Guardian, Custodian, Conservator, Liquidator, etc.)	
17. CERTIFICATIONS (To be certified to and by each person shown in Items 9 and 11 or his or her representative shown in Item 15 who is requesting a loan or LDP.) The undersigned hereby certifies that 1/ A. The person shown in Item 6 died on the date shown and he or she produced the commodity identified above in the crop year shown. B. The decedent and the commodity heir she produced were eligible for loan or LDP and that the persons shown in Item 9 have inherited the decedent's interest in the commodity shown above. C. (1) There has not been nor is it contemplated that there will be administration or probate of the estate or (2) administration or probate of the estate is closed. D. The persons listed in Items 9, 11, and, if applicable 13, are the only persons who have inherited or otherwise acquired an interest in the commodity and farming unit of the decedent described in this form. E. Each of such persons requests (1) a loan be continued or disbursed, or (2) an LDP be made. F. Are you or any co-applicant delinquent on any federal non-tax debt? YES ☐ NO ☒ (If "YES", provide details):					
18A. Signature (By) /s/ Imma Farmer		18B. Title/Relationship of the Individual Signing in the Representative Capacity Self		18C. Date (MM-DD-YYYY) 11-29-20XX	
18A. Signature (By)		18B. Title/Relationship of the Individual Signing in the Representative Capacity		18C. Date (MM-DD-YYYY)	
18A. Signature (By)		18B. Title/Relationship of the Individual Signing in the Representative Capacity		18C. Date (MM-DD-YYYY)	
19A. CERTIFICATION OF COUNTY COMMITTEE The undersigned certifies that each applicant whose signature appears above has the authority to act in the capacity indicated; that the right of the applicant(s) to file this application was determined in accordance with the regulations of the Department of Agriculture; and that the statements contained herein have been examined and are true and correct to the best of my knowledge and belief.					
19B. FOR THE COUNTY COMMITTEE BY /s/ Bill Done				19C. Date (MM-DD-YYYY) 11-29-20XX	
1/ Section 15 (a) of the Commodity Credit Corporation Charter Act (62 Stat. 1070) provides a fine of not more than \$10,000 or not more than five years imprisonment for making any statements knowing it to be false for the purpose of influencing the action of the Corporation or of obtaining money under any act applicable to the Corporation.					

205 Deceased Producers (Continued)

E Example of CCC-686 (Continued)

CCC-686 (12-18-19)

Page 2

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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8731 et seq.), 7 CFR Part 781 and 1421. The information will be used to allow heirs of an estate to obtain or continue a CCC loan or to request a loan deficiency payment (LDP). 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to obtain or continue a CCC loan or ineligibility for program benefits.

Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

206 Dissolved Corporations or Partnerships**A Assumption of Loans**

If a corporation or partnership is dissolved and an individual stockholder or group of stockholders, or an individual partner or group of partners, wants to assume the commodity loan or loans held by the corporation or partnership, they may do so if **all** stockholders in the corporation or partners in the partnership agree to the assumption on CCC-664.

If a corporation or partnership is dissolved to circumvent either payment limitation or member eligibility issues, CCC is under no obligation to approve assumption of a loan.

B Basic Provisions for Assumptions

The loan may only be assumed by the stockholders in the corporation or partners in the partnership.

Collateral mortgaged for a single loan must **not** be split among the stockholders or partners.

All stockholders, or partners, must sign CCC-664.

Note: If all stockholders or partners do **not** sign CCC-664:

- accelerate the loan maturity date according to paragraph 321
- contact the regional attorney through the State Office.

Contact the National Office for current procedure for correcting the names of the producers on the loan agreement.

207-224 (Reserved)

Section 2 Commodity Eligibility

225 Eligible Commodities

A Eligibility Requirements

To be eligible for a loan or LDP, the commodity **must**:

- have been produced by an eligible producer on a farm
- have been planted, reported, and harvested
- be in existence and in a storable condition
- be merchantable for food, feed, or other uses determined by CCC
- **not** contain mercurial compounds, toxin-producing molds, or other substances poisonous to humans or animals

Exception: See paragraph 231 for commodities containing vomitoxin, fumonisin, and aflatoxin..

- meet the definition for the applicable commodity in the Official United States Standards for grain, rice, whole dry peas, split peas, and lentils, or beans for pulse crops, as applicable

Note: See subparagraph J for eligible commodities, classes, subclasses, and varieties.

- meet the specific commodity eligibility requirements for a nonrecourse loan
- **not** be:
 - substituted, purchased, bartered, or received as a gift
 - produced on land owned by the Federal Government, if the land is occupied without lease, permit, or other rights of possession.

Note: A commodity pledged as collateral for loan or LDP that is **not** produced and harvested by the eligible producer, but was exchanged for a commodity produced and harvested by the eligible producer is ineligible for loan and is considered a substitution.

B Substituted Commodities

Substituted commodities are commodities that are **not** harvested, sheared, or slaughtered by the eligible producer for the applicable crop year. Substituted commodities are **ineligible** for LDP's and MAL's.

If a County Office determines that a loan or LDP has been disbursed on substituted commodities, handle according to Exhibit 5, subparagraph M

225 Eligible Commodities (Continued)**C Commodities Eligible for Loan or LDP**

The commodities eligible for a loan or LDP include:

- barley
- cotton

Note: See 7-CN.

- corn
- grain sorghum

Notes: Including dual purpose sorghum varieties as determined by CCC.

See Exhibit 9 for eligible grain sorghum varieties and applicable yields.

- honey

Note: See 2-LP Honey.

- mohair

Note: See 2-LP Wool and Mohair.

- oats
- oilseeds

Note: Including canola, crambe, flaxseed, mustard seed, rapeseed, safflower seed, sesame seed, soybeans, and sunflower seeds.

- peanuts

Note: See 2-LP Peanuts.

225 Eligible Commodities (Continued)**C Commodities Eligible for Loan or LDP (Continued)**

- pulse crops

Note: Including large and small chickpeas, dry peas, and lentils.

- rice

Note: Long and medium grain; medium grain includes short grain (2-LP Rice).

- wheat

- wool

Note: Graded and nongraded. Includes unshorn pelts. See 2-LP Wool and Mohair.

- any of the commodities, listed in this subparagraph, mechanically harvested as other than grain, **excluding** hay or silage (paragraph 520).

Notes: Hay, silage, and unshorn pelts are eligible for LDP **only** (paragraph 1020).

The commodity must be reported on the FSA-578 with an eligible intended or actual use. See subparagraphs K and L for eligible intended uses for MAL and LDP.

225 Eligible Commodities (Continued)**D Established STC Maximum Acceptable Moisture Level**

STC must:

- establish maximum acceptable moisture levels for all harvested commodities listed in paragraph 225 that are applicable for the State
- annually review the maximum acceptable moisture levels to assess CCC's risk.
- ensure the County Office's manually shrink commodities to 2-LP Grain and Oilseed standards using the tables in Exhibit 10 before entering the loan amount in CLPS and/or LDP.

E Commodities Exceeding Maximum STC Moisture Levels

All harvested loan commodities with moisture exceeding the established maximum STC level are **only** eligible for recourse loans according to paragraph 1210. Eligible quantity will be adjusted for moisture to the applicable standard in 2-LP (see shrink factors in Exhibit 10).

Harvested loan commodities with moisture exceeding the established maximum STC level are **ineligible** for LDP's.

F Commodities Exceeding the Moisture Standard in 2-LP

All harvested loan commodities with moisture levels falling between the applicable 2-LP standard and maximum STC are eligible for nonrecourse loans and LDP's. Eligible quantity will be adjusted for moisture to the applicable standard in 2-LP. See shrink factors in Exhibit 10.

Notes: The applicable shrink factors will apply when adjusting the quantity for excess moisture, according to subparagraph 528 C and Exhibit 10.

COC's will only approve loans where the quality of the commodity is maintained for the entire term of the loan.

Only corn and grain sorghum are also eligible for recourse loan if the moisture levels fall between the applicable 2-LP standard and maximum STC.

Note: For recourse loans, see paragraph 1210.

G Commodities At or Below the Moisture Standard in 2-LP

All harvested loan commodities with moisture levels at or below the applicable 2-LP standard are eligible for nonrecourse loans and LDP's. Quantity adjustments are **not** needed for moisture.

225 Eligible Commodities (Continued)

G Commodities At or Below the Moisture Standard in 2-LP (Continued)

IF moisture level...	AND the commodity is...	THEN eligible for...
exceeds the maximum STC level	harvested	recourse loans. Note: Ineligible for LDP's.
exceeds the 2-LP standard and does not exceed maximum STC moisture levels	corn and sorghum harvested, including corn and sorghum	HM recourse loans. excess moisture nonrecourse loans and LDP's.
is at or below the 2-LP standard	harvested	nonrecourse loans and LDP's.

H Low Quality Commodities

Low quality commodities include:

- sample grade commodities
- commodities that do **not** meet warehouse-stored loan standards excluding moisture
- commodities that have a test weight discount on the additional schedule of discounts.

Note: Wheat is **not** a low quality commodity when the **only** discount on the additional schedule of discounts is falling numbers. See information on falling number discounts for wheat in 2-LP Grains and Oilseeds.

Low quality commodities:

- are eligible for nonrecourse loans; however, the loan rate is 20 percent of the applicable base county loan rate; no other discounts will be applied to the nonrecourse loan disbursed at the reduced loan rate

Example: Base county loan rate is \$2 x 20 percent = \$0.40 low quality commodity nonrecourse loan rate.

- **must** be repaid at principal plus interest
- that are delivered to CCC in settlement of a nonrecourse outstanding loan, have a settlement rate of zero.

225 Eligible Commodities (Continued)**I Subsequent Crops**

Subsequent crops produced and harvested on acreage that previously produced a loan eligible commodity are eligible for LDP and MAL, if STC determines that the subsequent crops are of a type or variety that could produce a crop that would meet U.S. standards for the applicable commodity. The subsequent crop produced and harvested **must** be reported on the annual acreage report. For crops that are harvested as silage or hay, COC will base the reasonable yield on farming practices and other pertinent information that may impact the yield determination according to paragraph 336.

J Abbreviations for Commodity Classes, Subclasses, and Varieties

See Exhibit 11 for a list of abbreviations for commodity classes, subclasses, and varieties. Exhibit 11 also provides the eligible intended or actual uses for eligible commodities from the FSA-578 that populate the customer's profile for loans.

K Eligible Intended or Actual Uses for LDP

Eligible intended or actual uses for commodities from the FSA-578 that populate the producer's eligibility profile for LDP include:

- the intended uses and use codes in Exhibit 11, subparagraph B for all commodities except sugar

Note: Sugar is not eligible for LDP.

- "SG" for silage, "FG" for forage or "GP" for green peanuts, if applicable.

Note: For honey, wool or mohair, County Offices must manually enter reasonable quantities as determined from either the CCC-633 (Honey) and/or CCC-633 WM worksheet to determine reasonable production for these commodities only, according to 17-PS.

225 Eligible Commodities (Continued)

L Requesting Additional Eligible Types and Intended Uses for Loans and LDP's

Only the intended uses listed in Exhibit 11, subparagraph B for the specific MAL eligible commodities are eligible for MAL and populate the producer's available quantity in CLPS and on the reasonable quantity record in RQMS.

If State Offices have other types and intended uses that they feel should be included, they may request through PSD that other intended uses for specific MAL eligible commodities be added.

To request additional intended uses, State Offices must send the following to PSD policy:

- requested eligible loan commodity type name

Note: All MAL-approved commodities for the request must be listed.

- requested intended use from 2-CP (must be an approved use in 2-CP)
- detailed justification why this type name and intended use should be approved.

Send requests to MAL.LDP@usda.gov. If the request is approved, the requesting State will be notified and PSD will work with PDD to update the software. It could take up to 6 weeks for the software to be updated to accept a new intended use.

226 Loan and LDP Final Availability Dates

A Availability

[7 CFR 1421.7] Loans and LDP's are available to eligible producers in any area in the U.S. and Puerto Rico where the applicable commodity is produced.

B Requesting Loans and LDP's

Requests for loans and LDP's must be made on or before the final availability date for the respective commodities.

--For all commodities except cotton and peanuts, MAL's and LDP's will be maintained at the County Office that maintains the producer's farm program records and cannot be transferred to another County Office. See subparagraph 505 A for determining base county loan rates.--

226 Loan and LDP Final Availability Dates (Continued)

C Final Availability Date

[7 CFR 1421.7] This table provides the final availability date for loans and LDP's for the commodities listed.

Commodity	Final Availability Date
Mohair Peanuts Unshorn Pelts (LDP only) Wool	January 31
Barley Canola Crambe Flaxseed Honey Oats Rapeseed Seed Cotton Sesame Seed Wheat	March 31
Corn Cotton Dry Peas Grain Sorghum Lentils Mustard Seed Rice Safflower Seed Chickpeas Soybeans Sunflower Seed	May 31

When the final availability date falls on a nonworkday, the final date will be extended to the next workday.

D Final Disbursement Date

The approved disbursement date must **not** be later than 30 calendar days after the final loan availability date. When the final loan availability date falls on a nonworkday, the final date will be extended to the next workday.

State Offices may grant extensions in 15-calendar-day increments, as applicable.

227 Beneficial Interest

A Applicability

[7 CFR 1421.6] To be eligible for a loan or LDP, **both** of the following must apply:

- eligible producers, heirs of the producer, or another producer who succeeds in interest to the farming unit, according to paragraph 200, **must**:
 - have beneficial interest in the commodity
 - be in compliance with HELC and WC provisions
- commodity **must** have been produced by an eligible producer on a farm (as applicable by commodity) that is in compliance with the annual program requirements.

For LDP's only, if the producer filed CCC-633 EZ, page 1, **before** loss of beneficial interest the:

- the commodity would be eligible for LDP
- LDP rate would be based on the rate in effect on the day beneficial interest was lost, if before final loan availability date and both of the following are true:
 - payment is requested on CCC-633 EZ, page 2, 3, or 4
 - required documentation is presented.

Note: Purchasing a growing crop does **not** transfer beneficial interest **unless** the producer is succeeding in interest to the farming unit.

B Definition of Conditions for Beneficial Interest

Conditions for beneficial interest mean a producer has **both** control of the commodity and title to the commodity.

Note: CCC has determined that if a producer has control of the commodity, it is assumed that the producer has risk of loss of the commodity; therefore, the risk of loss component is removed when determining whether a producer has beneficial interest in the commodity.

227 Beneficial Interest (Continued)

B Definitions of Conditions for Beneficial Interest (Continued)

This table defines beneficial interest, but is **not** limited to the following.

Condition	Definition
Control of the commodity.	A producer has control of the commodity if the producer retains: • the ability to make all decisions affecting the commodity • all risk of loss associated with producing and maintaining the quality and quantity of the commodity.
Title to the commodity.	A producer may be considered to have title to the commodity if the producer has not sold or delivered the commodity, including delivering warehouse receipts.

C Definition of Option to Purchase

Option to purchase means an agreement allowing the buyer, at the buyer's option, to enter into a contract at a later date to buy a commodity. The option to purchase does **not** give the buyer any interest in the commodity and expires at a specified time.

227 Beneficial Interest (Continued)

D Definition of Sales Contracts

Sales contracts, including advance sales contracts, contracts to sell, price later contracts, and contracts for future delivery, mean the buyer has an interest in the commodity at a time specified in the contract or at a time implied by law.

In many cases, deferred price, forward, or price later contracts allow producers to select the sales price of the commodity at the time the contract is entered into or at a later date.

Producers under a deferred price, forward, or price later contract will be considered to have:

- beneficial interest in the commodity, if there are **no** restrictive or contradictory clauses within the contract that may cause the producer to lose beneficial interest in the commodity until the earlier of the following:
 - date payment is received
 - date commodity is applied in fulfillment of the contract
- lost beneficial interest if the contract states that ownership or title in the commodity transfers at any of the following specific times:
 - commodity is priced
 - date of contract signing
 - date the commodity is delivered.

227 Beneficial Interest (Continued)

E Option to Purchase Language

If a producer has entered into an option to purchase, the producer may receive a payment from the buyer and retain beneficial interest if the option to purchase contains a provision **exactly** as follows:

“Notwithstanding any other provision of this option to purchase, title and control of the commodity, and beneficial interest in the commodity, as specified in 7 CFR Part 1421 must remain with the producer until the buyer exercises this option to purchase the commodity. This option to purchase will expire, notwithstanding any action or inaction by either the producer or the buyer, at the earlier of: (1) the maturity of any Commodity Credit Corporation loan which is secured by such commodity; (2) the date the Commodity Credit Corporation claims title to such commodity; or (3) such other date as provided in this option.”

Inserting this language into a sales contract does **not** mean that the producer retains beneficial interest when a payment from the buyer is made under the contract.

If a producer has or will receive any payment from the buyer in return for a sales contract, beneficial interest is lost when the payment is made.

F Retaining Beneficial Interest

For a producer to retain eligibility to obtain a loan or LDP, **any** contract signed by a producer **must** conform to **all** provisions for beneficial interest.

Beneficial interest **must** be retained by a producer from harvest continuously through:

- for LDP, the date LDP is requested
- for loan, the earlier of the following date:
 - the loan is repaid
 - CCC takes title to the commodity.

227 Beneficial Interest (Continued)

G Losing Beneficial Interest

If a producer sells the equity in the commodity, the commodity is immediately ineligible for a loan or LDP. If the commodity has been pledged as collateral for a loan, or LDP has been made, immediate repayment of the loan principal and charges, plus interest, or LDP amount plus interest, as applicable, is **required**.

When beneficial interest in the commodity is lost by the producer, the commodity remains ineligible for loan or LDP even if the producer regains any of the following:

- control of the commodity
- title to the commodity.

The producer loses beneficial interest upon signing any contract that contains, but is **not** limited to, the following provisions:

- buyer has the option to require the producer to obtain loan or LDP
- requires producer to obtain permission from buyer to request a loan or LDP
- requires that casualty losses be paid to the buyer's account.

H Transferring or Assigning Interest

Interest in a commodity or the right to redeem a commodity under loan may **not** be transferred or assigned **except** according to paragraphs 205 and 206, or by executing FSA-211.

I Integrated Entity

The fact that a buyer may also be the storing warehouse operator, lender, or other business will **not** be considered a reason to cause beneficial interest to be transferred.

Note: If the contract between the buyer and the producer restricts the producer's ability to take possession of the commodity or warehouse receipts, the producer would be considered to have lost control when the commodity or warehouse receipts are delivered to the integrated entity.

227 Beneficial Interest (Continued)**J Commodity Rejected and Returned**

If the commodity is delivered to a buyer, processor, or mill that rejects the commodity because minimum standards are **not** met, beneficial interest will **not** be considered lost by the producer if the commodity is returned to the producer.

The commodity is **not** considered rejected if the producer receives a reduced contract price for the commodity.

K Payments for Services

Payments by buyers to producers for services, such as transportation and storage, will **not** cause beneficial interest to be transferred unless the payment is conditional on the eventual sale of the commodity.

L Feedlot, Feedyard, or Grain Bank

If the commodity is delivered to, but **not** limited to, a feedlot, feedyard, dairy, pit, poultry facility, or grain bank, beneficial interest in the commodity is considered to be lost at the time of delivery, **unless** other events cause beneficial interest to be lost before delivery according to subparagraph 228 E.

Delivery of the commodity by a producer to, but **not** limited to, the feedlot, feedyard, dairy, pit, poultry facility, or grain bank, removes the producer's ability to make all decisions affecting the delivered commodity. Therefore, control of the commodity does **not** remain with the producer.

227 Beneficial Interest (Continued)

M Beneficial Interest and Open Storage Policy

Producers who deliver commodities to a Federally, non-Federally, or State-licensed warehouse and the commodity is placed in open storage **must** be able to receive, from the warehouse, a negotiable warehouse receipt or other form of acceptable production evidence, if requested (see subparagraphs 335 C and D for acceptable types and requirements for production evidence).

For State-licensed facilities, each FSA State Office will contact their State Department of Agriculture to obtain a copy of the State warehousing license to determine the existing State law as it relates to producers delivering commodities to open storage. The specific State law, if applicable, may dictate the timeframe of when title and ownership transfers or when a warehouse receipt can be written for commodities delivered and placed in open storage. For FSA State Offices that do **not** have a specific State law governing open storage, see paragraphs 227 and 228 for events that will cause producers to lose beneficial interest in the commodity.

Example: A producer delivers a commodity to a Federally, non-Federally, or State-licensed warehouse. The State law specifies that after 30 calendar days of open storage the producer **must** decide to either:

- apply the commodity to a contract

Note: A producer no longer retains beneficial interest when a commodity is applied to a contract.

- place the commodity into warehouse inventory that would enable the producer to obtain a warehouse receipt indicating title and control remains with the producer.

Note: A producer retains beneficial interest as long as the producer has control and title to the warehouse receipt.

228 Reviewing Contracts**A Documents for Review**

[7 CFR 1421.6] County Offices will review contracts or leases, as applicable, only when there is reason to believe the producer may have lost beneficial interest in the commodity.

When requested by the County Office, producers will provide the following, as applicable:

- copy of the combination lease agreement
- copy of all options to purchase and all sales contracts
- certification of **no** contract according to subparagraph B.

Producers who provide the certification according to subparagraph B must be advised that, for loans **only**, if a contract is negotiated at a later date, the following, as applicable, **must** be provided to the County Office:

- copies of written contracts
- terms and conditions of verbal contracts.

If a commodity contract is received in the County Office, and it is known that the company has filed for bankruptcy protection, State and County Offices may:

- review the contract
- make a beneficial interest determination based on the submitted contract.

Regional attorneys may need to be consulted before the beneficial interest determination can be made.

Producers with a commodity contract from a company that has filed for bankruptcy protection are eligible to request MAL's or LDP's.

Important: The contract status is **not** affected by the bankruptcy. FSA does **not** intend to intervene with legal matters about commodity contracts.

State and County Offices must **not** provide recommendations or suggestions to producers regarding legal matters about contracts.

Producers **must** seek their own counsel to determine and establish any legal rights and/or discrepancies about their contract.

228 Reviewing Contracts (Continued)

B Certification of Verbal or No Written Contract

The following certification (CCC-491) may be provided if the producer does **not** have a written contract **and** there is reason to believe the producer may have lost beneficial interest in the commodity.

This form is available electronically.					
CCC-491 (12-18-19)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	<table border="1"> <tr> <td>1. Crop Year 2010</td> <td>2. LDP Number 99999</td> <td>3. Loan Number N/A</td> </tr> </table>	1. Crop Year 2010	2. LDP Number 99999	3. Loan Number N/A
1. Crop Year 2010	2. LDP Number 99999	3. Loan Number N/A			
BENEFICIAL INTEREST CERTIFICATION FOR LOAN AND LOAN DEFICIENCY PAYMENTS		4. FSA State and County Code 99-999			
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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8731 et seq.) and 7 CFR Part 1421. The information will be used to certify that a producer does have a beneficial interest in the commodity which is the subject of the CCC loan or loan deficiency payment. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to file the beneficial interest certification. Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.					
PART A – PRODUCER'S INFORMATION					
5. Producer Name and Address Able Farmer 9999 Any Rd Town, ST 99999-9999	6. Telephone Number (Include Area Code): 999-999-9999	7. Crop Corn			
PART B – PRODUCER'S CERTIFICATION					
The undersigned producer(s) ("Producer") has requested a loan or loan deficiency payment (LDP) from the Commodity Credit Corporation (CCC). With respect to the commodity which will be the subject of such loan or LDP, the Producer certifies that; (1) the Producer has had beneficial interest in the commodity and has not lost such interest before filing for the LDP application or loan application; (2) the Producer did not enter into any written option to purchase or any written contract for sale, with respect to the commodity to sell, deliver, or market the commodity, before such loan or LDP was requested; (3) the Producer did not enter into a verbal option to purchase or verbal contract for sale, except as noted below; (4) no payment with regard to such commodity was received before such loan or LDP was requested. The Producer understands that this certification is subject to review by CCC to determine that no option to purchase, contract for sale, or payment was applicable to the commodity. If any option to purchase, contract for sale, or payment is later negotiated while the commodity is pledged for collateral for a loan, the producer agrees to notify the County FSA Office of such event and to provide a copy of such option or contract to the County FSA Office for review. Upon such notification, CCC shall review such option to purchase and contract for sale for a determination of the date beneficial interest would be considered to have been lost. By signing this certification, the Producer warrants and agrees that the making of any fraudulent representation may render the Producer subject to criminal prosecution under Federal law and will result in the refund by the producer of any amounts paid as the result of the fraudulent representation, plus interest.					
8. Terms and Conditions of Verbal Contract: N/A					
PART C – PRODUCER'S CERTIFICATION					
9A. Producer's Signature (By) /s/ Able Farmer	9B. Title/Relationship (Individual Signing in a Representative Capacity) Self	9C. Date (MM-DD-YYYY) 10-15-20XX			
9A. Producer's Signature (By)	9B. Title/Relationship (Individual Signing in a Representative Capacity)	9C. Date MM-DD-YYYY			
PART D – CCC'S APPROVAL					
10A. Signature of CCC Representative /s/ CED Signature	10B. Title of CCC Representative CED	10C. Date (MM-DD-YYYY) 10-15-20XX			
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9892. Submit your completed form or letter to USDA by (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410, (2) fax: (202) 690-7442, or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.					

228 Reviewing Contracts (Continued)

B Certification of Verbal or No Written Contract (Continued)

CCC-491 must be completed according to the following instructions. Producer completes entries for items 1-9C. FSA may assist with completing items 1 through 4.

Item	Instruction
1 - 4	Enter the crop year, LDP or loan number, as applicable, and the FSA State/County Code for the office where the loan/LDP is being processed.
5	Producer enters name and address.
6	Producer enters phone number.
7	Producer enters the commodity for which the loan/LDP is requested.
8	Producer enters the terms of the verbal contract about beneficial interest.
9A - C	Producer or producer's representative: • signs in item 9A • if applicable, enters in item 9B representative's relationship to the producer • enters the signature date in item 9C.
10A - C	FSA signs, enters title, and signature date.

C Verbal Contract

If the producer certifies to a verbal contract, the producer may be required to enter the terms and conditions of the verbal contract in the space provided on the certification in subparagraph B.

D County Office Review

When a contract or lease review is necessary, County Offices, **before** approving a loan or LDP for commodities subject to market loan provisions, must:

- determine whether the requirements of beneficial interest or succession of interest are complied with
- review all options to purchase and sales contracts provided according to subparagraph A
- determine the date the producer would be considered to have lost beneficial interest
- determine whether the producer has retained beneficial interest in the commodity according to subparagraph 227 F.

For any option to purchase or sales contract on which a determination cannot be made, send a copy of the option to purchase or sales contract to the State Office for a determination according to paragraph 229.

228 Reviewing Contracts (Continued)

E Events Causing Loss of Beneficial Interest

Producers will be considered to have lost beneficial interest in a commodity the earlier of any 1 of the following events:

- receipt of a payment (without option to purchase)
- date of invoice
- F.O.B. bin, when the commodity is loaded for shipment from farm storage bins or other storage to the buyer
- F.O.B. warehouse, when the commodity is loaded for shipment from the warehouse to the buyer
- delivery of warehouse receipts to the buyer or agent
- the time of signing a contract with clauses restricting the producer's decision to obtain a loan or LDP from CCC, such as:
 - buyer may require the producer to obtain a loan or LDP
 - producer may obtain a loan or LDP **only** with prior approval of the buyer
 - producer may obtain a loan if the producer executes certain documents designating the buyer as agent
- when the commodity enters the warehouse, if contract contains a casualty clause that provides that after commencement of insured warehouse cover, insurance settlement will be for the buyer's account
- when the commodity is redeemed from CCC loan by an authorized buyer and title to the commodity transfers immediately to the buyer
- when the commodity is delivered to, but **not** limited to, a feedlot, feedyard, or grain bank according to subparagraph 227 L.

228 **Reviewing Contracts (Continued)****F Written Opinions**

County Offices may give an opinion with respect to an option to purchase or a sales contract when **both** of the following apply:

- if the producer is **not** applying for benefits
- the producer requests an opinion.

County Offices will:

- provide the opinion to the producer in writing
- send a copy of the option to purchase or sales contract to the State Office with a copy of the opinion provided to the producer for review according to subparagraph H.

Note: Opinions given for options to purchase and sales contracts are **not** appealable unless the producer has been denied benefits.

228 Reviewing Contracts (Continued)**G Hybrid Seed Contract Review**

If a producer submits a hybrid seed contract for review, County Offices will maintain a copy for file purposes **only** and are **not** required to review for a beneficial interest determination for producer eligibility.

Producers under hybrid seed contracts will be considered to have lost beneficial interest in the seed, the earlier of the date of:

- delivery to the hybrid seed company
- receipt for any payment justifying the seed.

For producers under a hybrid seed contract and an advance payment is received before harvest of the commodity, the producer:

- **must** file CCC-633 EZ, page 1 **before** harvest of the hybrid seed
- will receive LDP based on the LDP rate in effect on the date of the advance payment for the hybrid seed
- **must** provide production evidence justifying the hybrid seed advance payment.

LDP must **not** be issued until the hybrid seed is harvested.

Note: Not all seed contracts are considered as hybrid seed contracts.

H Addendum

An addendum to an option to purchase or sales contract to amend any contract provision, including removing any restrictive clause, **must** be agreed to by **all** parties.

For CCC to consider the addendum valid, it **must** be executed **before** the earlier of the following:

- harvest of the commodity
- date beneficial interest is considered to have been lost.

228 Reviewing Contracts (Continued)

I Canceling Contracts

An option to purchase or a sales contract entered into may be canceled at any time **before** harvest of the commodity if beneficial interest has **not** been lost.

If the option to purchase or sales contract to be canceled was previously provided to the County Office, a copy of the following **must** be provided to the County Office:

- the canceled option to purchase or sales contract, as applicable, with the signatures of all parties canceling the contract
- any subsequent option to purchase or sales contract.

J State Office Action

State Offices must:

- review options to purchase and sales contracts submitted by County Offices, including purchase and sales contracts submitted for which the County Office gave the producer a written opinion

Note: If the written opinion provided to the producer by the County Office is inaccurate, **immediately** notify the County Office.

- determine whether the producer retains beneficial interest and the date the producer would be considered to have lost beneficial interest
- for any option to purchase or sales contract on which PSD's concurrence with the State Office's preliminary determination is requested, email a copy of the contract for PSD review to **MAL.LDP@usda.gov**
- advise the County Office of PSD's determination when notified by PSD of the date beneficial interest would be considered to have been lost
- send to all County Offices and applicable States a copy of the following:
 - option to purchase or sales contract, as applicable
 - decision for reference.

228 Reviewing Contracts (Continued)

K Action After Contract Review

A loan or LDP must **not** be approved when both of the following apply:

- the contract is reviewed after harvest
- it is determined that the producer has lost beneficial interest in the commodity.

Exception: LDP's may be approved, based on the LDP rate in effect on the date of delivery, when the producer maintained beneficial interest until the date of delivery.

If an application for loan or LDP is:

- approved, attach a copy of the option to purchase or sales contract, as applicable, to the applicable loan or LDP document signed by the producer
- **not** approved because of loss of beneficial interest:
 - send a letter of the determination to the producer and attach the letter to the option to purchase or sales contract, as applicable
 - do **not** provide the producer appeal rights, the beneficial interest requirement is **not** appealable.

Notes: Use example letter in Exhibit 5, subparagraph K.

See 1-APP for determining issues that are **not** appealable.

Note: Producers may appeal the beneficial interest determination, but **not** the denial of benefits, if beneficial interest was lost. Beneficial interest is a statutory requirement.

When notified by the State Office of the determination of the date beneficial interest would be considered to have been lost, COC must approve or disapprove loan or LDP.

229 Guidelines for Submitting Contracts**A Submission Guidelines**

For **each** contract submitted for review to the State Office or PSD:

- provide a preliminary determination with respect to when producers would be considered to have lost beneficial interest in the commodity under the terms and conditions of the contract
- ensure that the:
 - general terms, exhibit, addendum, etc., referenced in the contract are also submitted with the contract
 - copies are legible
- by email, do **not** submit a hard copy by mail **unless** requested to do so
- and for which a previous determination was received, do **not** submit a subsequent identical contract for review
- number each page in the proper order and provide the total number of pages for each contract.

State or County Offices, as applicable, will be requested to submit this information, if these documents are **not** submitted with the contract.

A determination will **not** be rendered until **all** documents pertinent to the contract have been received.

230 Eligible Quantity**A Determining Eligible Quantity**

[7 CFR 1421.8] All applicable commodity produced on eligible acreage by an eligible producer, with a share on the FSA-578, and mechanically harvested is considered eligible for loan or LDP.

B Using Crop Appraisals

If a producer has applied for crop insurance indemnity or NAP on the acreage related to the disaster, the crop appraisal on file **must** be used when determining the maximum eligible quantity for commodities harvested as other than grain for loans or LDPs.

C Exception for Using Crop Appraisals

COC's may determine maximum eligible quantity determinations by using other methods according to subparagraph 336 C.

230 Eligible Quantity (Continued)**D Determining Eligible Dry Pea Quantity for Loan or LDP**

MAL's and LDP's for dry peas will be based on net weight excluding nonpea material. Nonpea material consists of foreign and other material.

Dry pea certified quantities must indicate the net weight has been reduced for foreign and other material. See subparagraph 335 D if production evidence is required to verify the net weight.

E Establishing Yield Estimates

COC must:

- annually, in close proximity to harvest of price support commodities grown in the county:
 - document the beginning of harvest
 - determine reasonable maximum yields for each loan commodity grown in the county based on crop and weather conditions in the county.

Notes: A 3 to 5 year average of NASS yields could be used as a guide when establishing yields. The State Office may require a review of COC yields to determine reasonableness.

Irrigated yields are to be established for the commodity when the practice is reported in the county.

Additionally, COC's may consult with the following for guidance and concurrence when establishing these yields:

- county NIFA employees
- local elevators as to what they are receiving
- area RMA representatives for both irrigated and non-irrigated yields
- document both beginning of harvest and reasonable maximum yield determinations in COC minutes
- review questionable applications.

230 Eligible Quantity (Continued)**F Producer Profiles**

Both CLPS and eLDP are using the Reasonable Quantity Record in RQMS to:

- determining a producer's reasonable maximum production
- provide a running account of available commodities for MAL and LDP.

See 17-PS for instructions on reasonable quantity records.

G Questionable or Commingled Production

For quantity offered for loan or LDP that exceeds COC maximum established yield by:

- up to 10 percent:
 - producer must provide a statement of reasonableness considering for things, such as farming practices and prior year's production
 - CED will make a determination to approve or deny the request based on his/her knowledge and current yields in the area

Notes: Approvals **must** be documented in the loan or LDP file.

Denials will automatically be referred to COC.

County Office must update producers approved yield under the "COC Yield" tab to increase their available amount, according to 17-PS.

- more than 10 percent:
 - producer must provide a statement of reasonableness considering for things, such as farming practices and prior year's production
 - COC will make a determination to approve or deny the request based on comparable yields and farming practices in the area.

Notes: The decision **must** be documented in the loan or LDP file, according to this note and in the COC minutes. Statement of reasonableness from producer must be attached to applicable CCC-666 or CCC-633 EZ.

County Office must update producers approved yield in RQMS according to 17-PS.

If COC denies the request, send Exhibit 5, subparagraph L letter to the producer. The letter must be revised to meet the specific circumstances and provide the producer appeal rights.

Using yields from other producers' farms is **not** permitted.

230 Eligible Quantity (Continued)**G Questionable or Commingled Production (Continued)**

All approvals and justification for approvals must be documented in the file and include the CED or COC chairperson's signature and date, as follows:

- for loans, in CCC-666, item 19 B, "Remarks" section
- for LDP's, on applicable CCC-633 EZ page as follows, in the "Additional Information" section:
 - 2, item 32
 - 3, item 56
 - 4, item 86.

H Determining Ineligible Quantity

A quantity of a commodity is **not** eligible for loan if:

- it was previously placed under loan and redeemed at the CCC-determined value
- LDP benefits have been requested or made on the quantity.

Note: LDP quantities requested on CCC-633 EZ, page 2 are **ineligible** to be pledged for loan.

231 Poisonous Substances and Contamination

A Contaminated Commodities

[7 CFR 1421.5(c)] A producer is personally liable for any damages resulting from tendering, to CCC as loan collateral, commodities that contain:

- mercurial compounds
- toxin producing molds, such as aflatoxin, vomitoxin, and fumonisin
- other substances poisonous to humans or animals.

Illegally contaminated and nonmarketable commodities that test positive are **not** eligible for either nonrecourse or recourse loan or LDP.

All contaminated commodities **must** be merchantable to be eligible. Contaminated commodities that remain merchantable may be eligible to receive a recourse loan at the full loan rate.

Note: FDA considers both unharvested commodities and harvested commodities in storage that are exposed to flood waters as **not** acceptable for human consumption or use in animal feed. These commodities may contain chemical contaminants, are susceptible to the development of mold and toxins, and are **not** eligible for loan or LDP.

B Acceptable Levels for Aflatoxin, Vomitoxin, and Fumonisin

This table provides the acceptable levels for toxins for non-discounted nonrecourse loan.

Contaminant	Acceptable Level
Aflatoxin	20 parts per billion or less.
Vomitoxin	5 parts per million or less.
Fumonisin	4 parts per million or less.

See:

- subparagraphs D and F for maximum contamination levels to receive a discounted nonrecourse loan or full loan rate recourse loan
- Part 5 for applicable county loan rates.

231 Poisonous Substances and Contamination (Continued)**C Monitoring Corn Containing Toxin Producing Molds**

In areas of the State where it is determined that the corn may contain aflatoxin, vomitoxin, and fumonisin, STC must:

- designate affected areas each crop year, as applicable
- monitor the aflatoxin, vomitoxin, and fumonisin situation
- notify DAFP when the first area in the State is designated.

Producers who request farm- or warehouse-stored corn loans in the designated areas must, **before** disbursement of the loan:

- have the corn tested for aflatoxin, vomitoxin, or fumonisin at the producer's expense
- provide the County Office with the results of the aflatoxin, vomitoxin, or fumonisin test.

D Commodities Containing Aflatoxin

If the test results indicate the aflatoxin level is:

- 20 parts per billion or less, the loan may be disbursed as nonrecourse, according to Part 5, as applicable, if the corn is otherwise eligible for a nonrecourse loan
- more than 20 parts per billion, a loan may be disbursed according to paragraph 520 as:
 - nonrecourse using the applicable adjusted county loan rate where stored
 - recourse at the full loan rate of the county where stored.

E Commodities Containing Vomitoxin

This table provides policies and procedures for commodities containing vomitoxin.

IF...	AND contains vomitoxin of...	THEN County Offices will...
producers indicate a commodity was tested	5 parts per million or less	disburse loans as nonrecourse according to Part 5, if the commodity is otherwise eligible.
	more than 5 parts per million	disburse loans as • nonrecourse using the applicable adjusted county loan rate according to paragraph 520. • recourse at the full loan rate.
nonrecourse loan is delivered to CCC	5 parts per million or less	base the settlement rate on the quality of the commodity as shown on the warehouse receipt.
	more than 5 parts per million	use a zero settlement rate.

231 Poisonous Substances and Contamination (Continued)

F Commodities Containing Fumonisin

If the test indicates that the fumonisin level is:

- 4 parts per million or less, a loan may be disbursed as nonrecourse, according to Part 5, as applicable, if the corn is otherwise eligible for a nonrecourse loan
- greater than 4 parts per million but not greater than 60 parts per million, a loan may be disbursed as nonrecourse using the contaminated loan rate or as recourse at the full loan rate according to paragraph 520.

Commodities testing greater than 60 parts per million are **not** eligible for loans as the commodity is considered non-merchantable.

IF the test determines that the fumonisin in the corn is...	THEN the producer is ...
equal to or less than 4 ppm	eligible for a nonrecourse MAL at the loan rate applicable to the county where the commodity is stored.
greater than 4 ppm but not more than 60 ppm and the corn will be fed to feeder cattle	eligible for a: • nonrecourse MAL at the contaminated loan rate or 10 percent, only if a repayment feeding schedule is established. Note: The feeding schedule will ensure repayment of the MAL before loan maturity. • recourse MAL at the full loan rate
greater than 60 ppm	not eligible for MAL as the commodity is considered non merchantable.

232 Repledging Commodities

A Basic Provisions

Before the final loan availability date, producers may re-offer as security or repledge as collateral for a loan, any commodity that has been previously mortgaged or pledged, **except** for situations described in subparagraph B.

B Ineligible for Repledge

This table provides situations when a commodity is ineligible to be repledged.

IF the commodity represents a loan...	THEN...
where the maturity date was accelerated because of a violation of provisions for: • loans or LDP's • HELC or WC according to 6-CP	the commodity will not be repledged for loan.
1 or more of the following conditions: • loan maturity date was accelerated at CCC's option • commodities redeemed at a rate less than the principal plus interest • commodities for which loss of beneficial interest has occurred and CCC-633 EZ, page 1 is not on file • commodities that were previously collateral for recourse loans, except distress loans • commodities for which LDP was made	
disbursed under distress loan provisions	see Part 12, Section 4.

232 Repledging Commodities (Continued)**C Repledged Loan Maturity Date and Interest Rate**

The maturity date will be the same as the original loan maturity date.

In CLPS, enter the approval date of the original loan to establish the proper maturity date for the repledged loan.

The repledged loan interest rate will be the applicable rate on the day the repledged loan is disbursed, and adjusted to the interest rate in effect on January 1, if applicable.

D Commodity Assessment Deductions

Commodity assessments, when applicable, must **not** be deducted on the repledged loan quantity.

233 Loans Ineligible for Delivery or Forfeiture**A Ineligible for Delivery or Forfeiture**

The following are ineligible for delivery to CCC if the collateral is for:

- recourse loan

Note: See Part 12, Section 1.

- nonrecourse loan and the:
 - producer is determined ineligible
 - commodity is determined ineligible.

See paragraph 813 for additional information on commodities ineligible for delivery or forfeiture to CCC.

B COC Notification to Producer

Send the producer the notification letter in Exhibit 5, subparagraph M if COC determines:

- an ineligible commodity was placed under loan
- the producer is ineligible for loan.

C Action for Nonpayment

CCC must acquire the commodity, sell and use the proceeds to repay the loan, if a loan is **not:**

- eligible for delivery or forfeiture to CCC
- repaid after the accelerated maturity date.

The producer is responsible for any costs incurred during the sale, which may include advertising and weighing.

233 Loans Ineligible for Delivery or Forfeiture (Continued)

C Action for Nonpayment (Continued)

The County Office must take action according to the following table.

IF the loan is...	THEN...
recourse farm- or warehouse-stored	• on the day after the accelerated maturity date, liquidate the loan in CLPS and establish separate receivables in NRRS according to FI procedure for: • loan principal • interest to the date the receivable is established • liquidated damages, if applicable • proceed with a local sale (Part 8), advertising and selling the: • warehouse receipts • farm stored commodity • apply the sales proceeds to the receivables established.
nonrecourse warehouse-stored	• on the day after the accelerated maturity date, as either the producer or commodity are not eligible to forfeit to CCC, do not forfeit the warehouse receipts to CCC • liquidate the loan in CLPS and establish separate receivables in NRRS according to FI procedure for: • loan principal • interest to the date the receivable is established • liquidated damages, if applicable • proceed with a local sale (Part 8), advertising and selling the warehouse receipt(s) • apply the sales proceeds to the receivables established.

233 Loans Ineligible for Delivery or Forfeiture (Continued)**C Action for Nonpayment (Continued)**

IF the loan is...	THEN...
nonrecourse farm-stored	• if the loan is not repaid by the 31st calendar day after the accelerated loan maturity date, notify the producer that: • the loan collateral will be sold through local sale • sales proceeds will be applied to the amount due • they are responsible for any costs incurred • liquidate the loan in CLPS and establish separate receivables in NRRS according to FI procedure for: • loan principal • interest to the date the receivable is established • liquidated damages, if applicable • proceed with a local sale (Part 8), advertising and selling the farm stored collateral securing the loan • apply the sales proceeds to the receivables established.

D Insufficient Value or Excess Sales Price

If the sales proceeds were insufficient to clear the amounts owed on the loan, NRRS will continue to send the required demand letters.

If the sales price exceeds the amount needed to repay principal and charges plus interest on the loan, the excess for both nonrecourse and recourse loans, must be refunded to the producer.

234 Second Party Reviews**A Reviews**

A second party review of eligibility requirements for CCC-633WM's, CCC-666, CCC-677's, CCC-678's, and CCC-633 EZ, pages 1 through 5, as applicable, must be performed **before** disbursement. Reviewer **must** initial CCC-633WM or CCC-666, as applicable, and CCC-677 for farm-stored loan, CCC-678 for warehouse-stored loan, or CCC-633 EZ for LDP application, when review is completed.

The second party reviewer must also check that the correct loan or LDP rate is used on all bins and/or receipts on each loan or LDP. The correct rate is determined according to paragraphs 506 and 1004.

Before a loan or LDP is issued, CCC-770 LDP or CCC-770 MAL **must** be completed according to paragraph 23.

B Approving Reviews

If PT accepts LDP or MAL request, they are not allowed to initial as the second party reviewer. In addition, if a PT enters the loan request into CLIPS, they are not allowed to be the second party reviewed before loan disbursement.

It is recommended that CED's in 2-person County Offices:

- initial as second party reviewer
- sign as approving official, as designated by COC.

235-299 (Reserved)

Part 3 Spot-Checking and Production Evidence**Section 1 Spot-Check Policy****300 Compliance Reviews for LDP's and MAL's****A Spot-Check Selection Process Overview**

The compliance review/spot-check selection process will:

- help reduce the number of spot checks performed monthly
- provide a more comprehensive and meaningful compliance review by covering all program activity for the selected producer
- enhance the way spot-check findings are recorded
- implement OIG recommendations included in an audit of FSA compliance activities.

B Handling Spot-Check Selection Process for LDP's and MAL's

Producers will be selected based on their participation in various programs. FSA employees, STC and COC members, and other required producers are included in the national selection.

FSA employees, STC and COC members, and other required producers **are** included in the selection; therefore, County Offices will no longer conduct separate spot checks on required producers.

Additional information will be provided as the national spot-check process is enhanced.

300 Compliance Reviews for LDP's and MAL's (Continued)**B Handling Spot-Check Selection Process for LDP's and MAL's (Continued)**

Note: Producers may operate as an individual and legal entity. The producer selection list will identify the tax ID associated with the selected producer. County Offices will only review LDP's and MAL's associated with the tax ID selected.

County Offices will print and maintain the producer selection list. The National Office will **not** make another selection of producers for the year.

County Offices are:

- required to spot check all LDP's, including Graze-Out, and MAL activity for the selected producers
- responsible for recording spot-check results of LDP's and MAL's identified for the selected producers

Note: For additional information on the compliance review and recording the annual spot check review results, see 2-CP and the CP notice for the applicable year.

- required to determine when the farm visit will be completed during the loan period.

When the spot check reveals, and it is determined, that a shortage or violation occurred, County Offices will continue to record the shortage or violation according to current LP, PS, and FI directives.

300 Compliance Reviews for LDP's and MAL's (Continued)**C Conducting Farm Visits**

On-farm visits are required if farm-stored loan collateral or LDP quantities are still stored on the farm. At the storage site, commodity inspectors will complete the spot check according to subparagraph 316 B or 2-LP Wool and Mohair for mohair, unshorn pelts, and wool.

Because LDP's and MAL's are disbursed throughout the applicable crop year, multiple farm visits may be necessary to complete the requirement to spot-check all the producer's LDP and MAL activity.

When multiple visits are made to the same farm, previously measured farm storage structures are **not** required to be measured again, **unless** the commodity inspector has reason to believe a violation has occurred or CCC security interest is at risk. Previously spot-checked loans or LDP's:

- will be treated as related loans and LDP's according to paragraph 316 or 2-LP Wool and Mohair for mohair, unshorn pelts, and wool
- will always be visually inspected for proper storage maintenance, commodity existence, and quality.

Note: County Offices will be responsible for determining when the on-farm visits will be completed.

Spot check results will be recorded on and according to the following:

- CCC-677-1 (Exhibit 15)
- *--any LDP and MAL questionnaires as directed by the National Office.--*

* * *

300 Compliance Reviews for LDP's and MAL's (Continued)**D Adding Producers for Spot Check**

Additional producers may be added to the list of producers selected during the annual spot-check reviews, when it is reported or determined that the:

- quantity of the loan collateral or the applicable LDP quantity is questionable
- storability of the loan collateral is questionable.

LDP and MAL spot-check results for the additional producers selected for spot-check will **not** be required to be entered in the National Compliance Review Database. County Offices must record the following:

- reasons why the producer was selected for spot-check in the COC minutes
- results on CCC-677-1.

If a shortage or violation is determined as a result of the spot check, County Offices will record the shortage or violation according to current LP and PS directives, as applicable.

E STC-Established Guidelines for Conducting Additional Spot-Checks

STC's will:

- establish guidelines for conducting additional spot-checks
- determine how and when County Offices should select additional producers for spot-check
- record the established guidelines in the STC minutes for auditing purposes.

F Additional Spot-Check Policy

See 2-CP for additional spot-check policy.

301 Outstanding Farm-Stored Loans**A Basic Spot-Checking Policy**

[7 CFR 1421.11] Farm-stored loans on the national list for spot checks or based on STC criteria will be spot-checked:

- during and after the loan availability period
- for up to 9 months from date of disbursement.

County Offices will make onsite spot-checks of outstanding farm-stored loans, if the producer is either of the following:

- selected through the national selection process
- added to the list of producers selected during the annual spot-check reviews.

B Required Spot Checks

County Offices will spot-check quantities for all **farm-stored**:

- nonrecourse and recourse outstanding loans, including loans that are open on the first workday after maturity

Notes: These spot checks must be done within 15 calendar days after maturity to ensure that the commodity is still in storage and a violation has not occurred.

If the producer has an unexpired marketing authorization, the delivery location should be contacted for the exact quantity delivered before the spot check.

- outstanding loans repaid under marketing loan provisions, in part or in full, if production or disposition evidence is **not** provided at time of repayment
- loan collateral when certain situations require spot-checks according to subparagraph D
- loans repaid to zero with a market loan repayment without production evidence will be subject to spot-check through the loan maturity date.

Do **not** spot check commodities stored in structures that **cannot** be safely measured.

301 Outstanding Farm-Stored Loans (Continued)**C Not Subject to Spot Check**

Outstanding farm-stored loans repaid under the market loan gain provisions are **not** subject to spot check **on the amount repaid under the market loan gain provisions if** production evidence is provided on the date of repayment.

Delivery evidence is considered production evidence for all marketing loan repayments if all of the requirements in paragraph 335 are met.

D Situations Requiring Spot Checks

In addition to national selection spot checks, other situations require that spot checks be performed for loans. These situations include, but are **not** limited to, the following:

- quantity of the loan collateral is questionable
- storability of the loan collateral is questionable
- **all** of a producer's loans when a second or subsequent violation is determined
- loan collateral is reported to be going out-of-condition (paragraph 322).

302 LDP's**A Basic Spot-Check Policy**

[7 CFR 1421.11] LDP's are subject to spot-check for up to 9 months from date the LDP is paid.

B What to Spot Check

If a producer is selected through the national selection process, or added by the County Office as an additional spot-check, County Offices will spot check:

- **all** quantities certified for LDP
- LDP's when certain situations require spot checks according to subparagraph D.

Once a specific LDP has been selected for spot-check, that LDP is no longer subject to additional spot checks.

Do **not** spot check commodities stored in structures that cannot be safely measured.

C Not Subject to Spot Check

LDP's are **not** subject to spot check **if**:

- production evidence was submitted on date of request
- LDP's are paid on the amount shown on production evidence
- maximum eligible quantity was determined for:
 - commodities harvested as other than grain
 - commodities that exceed the moisture standard that are stored in structures that **cannot** be measured
 - commodities immediately fed during harvest.

D Situations Requiring Spot Checks

In addition to national selection spot checks, other situations may require spot-checks to be performed for LDP's. Situations may include, but are **not** limited to, the LDP quantity being questionable.

303 Farm-Stored Loans Delivered to CCC**A Review of Deliveries**

County Offices will:

- determine whether deliveries were made according to program provisions
- determine that quantities delivered to CCC do **not** include any purchased or ineligible quantities
- document the spot-check results of the review in the COC minutes and file documents in the producer's folder.

B Questionable Deliveries

When there is reason to question the quantity delivered or the eligibility of the commodity delivered, County Offices will:

- examine the warehouse operator's copy of scale tickets or weight certificates for the commodity delivered to determine whether the quantity and quality are the same quantity and quality as shown on CCC-691
- follow paragraph 819 for provisions for splitting warehouse receipts if it is determined that an ineligible quantity was included on CCC-691.

C Action if COC Determines Violation

If COC determines a violation has occurred, take administrative actions according to Part 4 for all shortages of loan quantities discovered by spot-checking loan deliveries according to this paragraph.

304 Commodity Inspector Spot-Check Review**A County Office Responsibility**

County Offices will ensure that commodity inspectors are performing their duties properly, including completing and signing forms used to record spot-check results.

B State Office Responsibility

State Office representatives must annually spot-check commodity inspectors' work in each County Office according to this table.

Handle single and combined County Offices in the same manner.

Step	Action
1	Check at least 1 loan or LDP for each commodity inspector. Check more loans and LDP's for an inspector if the State Office representative believes that additional checks are warranted.
2	To determine accuracy of employee's work, for each loan or LDP spot-checked: • draw a sample to determine the quality of the stored commodity • measure the structure and determine the quantity.
3	Complete a new CCC-677-1, according to Exhibit 15, to record spot-check results. Do not use the same CCC-677-1 completed by the commodity inspector.
4	Compare spot-check results with information recorded by the commodity inspector and resolve any differences.
5	Record the quantity determined in step 2 on CCC-677-1, item 30.

305-314 (Reserved)

Section 2 Spot-Check Process

315 Notifications

A Contacting Producers

When repaid MAL's with earned market gain and LDP's have been selected for spot-check, County Offices must:

- notify the contact producer by telephone or memorandum, as applicable
- inquire if the commodity:
 - has been sold
 - is still on the farm.

B Initiating Loans and LDP's Selected for Spot-Check

Determine how to proceed with the spot check as follows.

IF the commodity...	THEN...
is still on the farm and a spot check has not been performed	complete a farm visit according to paragraph 316. If the producer does not want to pay the measurement service fee to use the spot-checked quantity for production evidence, request the producer to provide production evidence by the earlier of the following: • 15 calendar days after the commodity has been sold • loan maturity date • the last day of the 9th calendar month after the month in which LDP was paid. If production evidence has not been submitted by the due date, the producer must pay the measurement service fee for the spot-checked quantity to be used for production evidence or the producer may have to refund the market gain or LDP amount.

315 Notification (Continued)

B Initiating Loans and LDP's Selected for Spot-Check (Continued)

IF the commodity...	THEN...
has been previously spot-checked and the producer requests to use the spot-checked quantity for production evidence	require the producer to pay the measurement service fee for the spot-checked quantity. No farm visit is required except for outstanding loans, as applicable.
has been sold	request delivery, sales, or other types of production evidence to verify the quantity and delivery dates of: • certified LDP's • loan repayments when market gain was earned. Review the loan for a violation according to Part 4 if loan is not repaid.
has been fed	determine maximum quantity eligible according to paragraph 336.

Require the producer to submit evidence on commodities **sold** within 15 calendar days from date of request.

316 On-Farm Visits

A When to Complete On-Farm Visits

[7 CFR 1421.11] Complete on-farm visits if commodities are still stored on the farm for:

- outstanding loans
- outstanding loans and a market gain has been earned
- certified LDP's.

*--**Note:** See 5-LP, Part 5 for grain bin safety guidelines.

State offices have discretion to purchase safety/inspection equipment as needed. Contact the appropriate program manager if you have questions about equipment.--*

B Spot-Check Process

At the storage site, commodity inspector will complete the spot check by measuring farm-stored quantities for all loans and LDP's selected by the national selection process according to this table.

Notes: Measurements are required even if commodity was previously measured for farm stored regular loans.

Once a specific LDP has been selected for a spot check, that LDP is no longer subject to additional spot checks.

Step	Process	Action
1	Check CCC-683.	Replace CCC-683 if missing or incorrect loan data is shown (Exhibit 16).
2	Inspect storage structure and determine commodity storability and sanitary conditions.	Annotate any structure, storability, or sanitary problems on reverse side of CCC-677-1, "Remarks" section.
3	Measure commodity in all applicable structures that can be safely accessed.	Complete CCC-677-1 according to Exhibit 15.
4	• Obtain commodity sample from all storage structures applicable for the loan or certified LDP. • Use representative sample to determine test weight, and if applicable, moisture content.	

C Shortages of Commingled Commodities

Shortages determined by spot-checking commingled commodities **must** be prorated among the entire quantity stored in the designated storage structure, including quantity for other producers, whether or **not** under loan or LDP.

317 Completing Spot Checks**A Reviewing Documentation**

Once the on-farm visit is complete or production evidence is submitted, County Offices will:

- calculate the measured quantity or quantity provided on submitted documentation, as applicable
- review the documentation submitted to ensure that all production evidence requirements are met according to paragraph 335.

B Determining Quantity and Quality

County Offices will determine the quantity of the loan collateral or the applicable LDP quantity from information provided by the:

- commodity inspector on CCC-677-1
- producer on other types of production evidence.

For loans, CCC is considered secured when a sufficient quantity of the commodity is found in any individual or number of structures designated on CCC-677 or CCC-687-1.

C Verifying Loan and LDP Quantity

County Offices must:

- verify the quantity determined in subparagraph B
- compare the determined quantity to the:
 - outstanding loan quantity
 - market gain quantity
 - LDP quantity.

D Tolerance Level

Normal tolerance level for loans and LDP's is 10 percent. However, any shortage can be considered a violation.

Examples of Violations: Shortage is only 3 percent, but there is evidence of feeding before repayment.

Shortage is 7 percent, but producer is moving grain without authorization.

For spot-check shortages **within** the tolerance level, CED's have the authority to determine whether a violation occurred according to Part 4.

318 Loan Quantity Determination and Action Required

A Outstanding Loans and No Market Gain Was Earned

When a spot check reveals the **measured** quantity is less than the certified or measured outstanding farm-stored loan quantity, take applicable action according to the following.

IF the spot check reveals the...	THEN...
adjusted measured quantity is within tolerance and no violation has occurred	COC will not take any action.
measured quantity is both of the following: • before adjustment, within tolerance • after adjustment, not within tolerance	• notify the producer, using the notification letter in Exhibit 5, subparagraph M, that repayment of the shortage at principal and charges plus interest is required. • COC will not consider the shortage incorrect certification. See Part 4 if another type of violation has occurred.
measured quantity is not within tolerance before or after adjustment	COC must consider a violation has occurred. Follow Part 4 for notifying the producer of the violation.

318 Loan Quantity Determination and Action Required (Continued)

B Loans Repaid and Market Gain Was Earned

When a spot check reveals the quantity supported by **production evidence** is less than the quantity on which market gain was earned, take applicable action according to the following.

IF the quantity verified is...	THEN...
greater than the market gain quantity	a new loan or LDP may be requested for any overage provided: • the producer still has beneficial interest in the commodity • it is before the final loan availability date • for LDP, provided there is an LDP rate on the commodity on the date of the new request Additional market gain payments to the original loan disbursement are not available.
determined based on spot-check measurements and the producer does not pay the measurement service fee	no action is necessary at this time if: • commodity is still stored on the farm • measurement service fee has not been paid • the quantity has not been sold • other production evidence has not been submitted.
all of the following: • based on paid measurements, or any other type of production evidence • less than the quantity on which market gain was earned • within tolerance	establish receivable for the amount owed in NRRS according to current PS and FI directives. Good faith determinations are not necessary.

318 Loan Quantity Determination and Action Required (Continued)

B Loans Repaid and Market Gain Was Earned (Continued)

IF the quantity verified is...	THEN...
all of the following: • based on paid measurement or any other type of production evidence • less than the market gain quantity amount • not within tolerance	COC will: • consider a discrepancy has occurred • review discrepancies to determine whether a violation has occurred according to Part 4 • record the discrepancy according to subparagraph C. If the discrepancy is the result of a County Office error and the producer did not have reason to know a violation had occurred, the County Office will: • document in the COC minutes reasons why to the fullest extent possible • not assess liquidated damages • demand the shortage, plus interest as applicable, using the notification letter in Exhibit 5, subparagraph M • not make good faith determinations • complete FSA-321 according to 7-CP. For all other violations, COC must determine any of the following according to Part 4: • good faith • misrepresentation, scheme, or device.

When spot check verifications are complete, notify producers and record results according to paragraph 323 and current LP and PS directives.

318 Loan Quantity Determination and Action Required (Continued)

C Calculating and Recording the Discrepancy

If the quantity is **not** within tolerance, for the quantity involved in the violation, any payment will be processed at principal plus interest. Follow procedure according to PDD.

319 LDP Quantity Determination and Action Required

A LDP Spot Checks

Handle spot-check verifications according to this table.

IF the quantity verified is...	THEN...
greater than the LDP quantity	a new LDP with a new LDP rate, or a new loan, may be requested for any overage provided the producer still has beneficial interest in the commodity and it is before the final loan availability date.
determined based on spot-check measurements, is less than the LDP amount, and is within tolerance	no further action is necessary at this time if: • still stored on the farm • measurement service fee has not been paid • quantity has not been sold • other types of production evidence have not been submitted.
all of the following: • based on measurements and the producer agrees and pays for the measurement service, or is based on any other type of production evidence submitted • less than the LDP quantity • within tolerance	• correct the quantity in LDP according to 15-PS • do not assess liquidated damages but demand repayment of the shortage, as applicable, using the notification letter in Exhibit 5, subparagraph M • good faith determinations are not necessary.

319 LDP Quantity Determination and Action Required (Continued)

A LDP Spot Checks (Continued)

IF the quantity verified is...	THEN...
all of the following apply: • based on paid measurement or any other type of production evidence • less than the LDP amount • not within tolerance	COC will: • consider a discrepancy has occurred • review discrepancies to determine whether a violation has occurred according to Part 4. If the discrepancy is the result of a County Office error and the producer did not have reason to know a violation had occurred, the County Office will: • document in the COC minutes reasons why to the fullest extent possible • not assess liquidated damages • demand the shortage, plus interest as applicable, using the notification letter in Exhibit 5, subparagraph M • not make good faith determinations • complete FSA-321 according to 7-CP. For all other violations, COC must determine any of the following according to Part 4: • good faith • misrepresentation, scheme, or device.
delivered on a date other than the delivery date certified	

When spot check verifications are complete, notify producers and record results according to paragraph 323.

319 LDP Quantity Determination and Action Required (Continued)

B Reducing On-Farm Visits for LDP's

For LDP's **only**, County Offices, **with State Office concurrence**, may elect to forgo the farm visit by sending the producer a notification letter that includes all of the following:

- identification of LDP to be spot-checked, as applicable
- options to the producer for quantities still on the farm to:
 - request measurement service within 7 calendar days at the expense of the producer and use the measurements as final production evidence
 - provide production evidence by the earlier of the following:
 - 15 calendar days after the commodity is sold
 - the last day of the 9th month after the month in which LDP was disbursed
- the statement, "Failure to provide acceptable production evidence may result in repayment of the entire LDP amount plus applicable interest."

County Offices must:

- consider the spot check complete when the producer:
 - does **not** respond within 7 calendar days, agreeing to provide required production evidence by the deadlines
 - agrees to provide required production evidence by the deadline
 - requests and pays for measurement service, and the measurement service is complete
- monitor all letters and determine when production evidence is due
- collect unearned LDP amounts, plus interest, according to paragraph 339.

320 Producer Requests for Redetermination of Quantity or Quality**A Requests for Redetermination**

A producer may request redetermination of quantity or quality if the producer disagrees with the:

- quantity determined
- quality determined.

B Producer Action

The producer must:

- make a written request that a redetermination be made for:
 - quantity measured
 - test weight and moisture
- pay for the measurement service.

C County Office Action

When redetermination requests are received and producers have complied with subparagraph B, County Offices must:

- remeasure and redetermine the quantity or quality, as applicable
- apply the test weight, combined test weight and pack factors (Exhibit 17), and moisture shrink, as applicable, on remeasurements.

D Results of Redetermination

County Office will review results of redetermination. When the remeasured quantity indicates the quantity or quality determined on the initial spot check was incorrect, County Offices will:

- refund the producer's measurement service fee collected according to 64-FI
- remove the producer's name from the list of loan and LDP violators, if a violation had previously been determined based on the initial spot check.

321 Loan Maturity Date Acceleration**A Accelerating Loan Maturity Date**

COC may authorize, accelerating the maturity date on an individual basis **before** the established maturity date when necessary, to protect CCC's interest or in emergency situations.

Examples: Uncontrollable insect infestation.

Danger of flood or fire.

Damage to the structure or other condition that makes it unsafe to continue storage on the farm.

Involuntary loss of control of the storage structure.

HEL/WC violation is determined according to 6-CP and the producer has an outstanding loan.

B Notifying Producer

Notify producers of an accelerated maturity date using the letter in Exhibit 5, subparagraph O, that:

- the loan, or part of the loan, if applicable, is immediately due and payable because CCC's interest is **not** protected
- amounts due **must** be paid, with cash, on or before the accelerated maturity date
- commodities for nonrecourse loans may be delivered to CCC

Exception: Loans where a HEL/WC violation is determined according to 6-CP cannot be delivered to CCC.

- commodities for recourse loans, if **not** repaid, will be sold.

321 Loan Maturity Date Acceleration (Continued)**C Action When Producer Does Not Repay**

If the producer fails to make the requested repayment by the accelerated maturity date, the County Office will, **immediately** after the accelerated maturity date, for a:

- nonrecourse farm-stored loan:
 - authorize delivery on CCC-691
 - issue demand letter according to Exhibit 18, subparagraph A, “farm-stored nonrecourse loan”
 - handle delivery in the normal manner
 - record settlement according to Part 8 and current LP and PS directives
- nonrecourse warehouse-stored loan must be forfeited to CCC according to paragraph 900 unless the loan acceleration is the result of a HEL/WC violation according to 6-CP
- recourse loan:
 - follow local sale procedures according to Part 8 and Exhibit 19, subparagraph A, “recourse loan” and Exhibit 13, subparagraph A, “distress loan”
 - establish receivables in NRRS according to 64-FI and current FI directives
 - issue announcement of sale according to paragraph 858
 - apply sales proceeds to the NRRS-established receivable.

D Deducting Storage Charges

When the maturity date of a nonrecourse loan is accelerated, make a storage deduction as a separate item instead of reducing the settlement rate.

County Office must manually compute storage charges:

- through the loan maturity date
- using the appropriate offer shipping rate table.

Note: If assistance is needed to manually compute the storage charges, County Offices will contact their State Office for assistance and State Offices will contact the National Office.

Exception: County Offices must **not** make a storage deduction when deliveries of farm-stored commodities are accelerated by CCC under general acceleration of the loan maturity date for a particular geographic area.

321 Loan Maturity Date Acceleration (Continued)**E Additional Action**

If the loan has **not** been liquidated by repayment or delivered by the specified final date, County Offices must take steps to acquire the commodity by foreclosure according to paragraph 866.

If the producer appeals the accelerated maturity date, follow paragraph 20.

322 Loan Collateral Storability Questioned**A Producer's Responsibility**

The producer is responsible for any loss in quantity and quality of the commodity placed under farm-stored nonrecourse or recourse loan.

Note: Each producer signing CCC-677 or CCC-678 is jointly and severally liable for repayment of the entire amount due.

CCC will **not** assume any loss in quantity or quality for any reason.

Note: This includes commodities under loan that are affected by flood waters. See note in subparagraph 231 A.

B Action When Collateral Storability Is Questioned

When it is reported or determined the nonrecourse or recourse loan collateral storability is questioned, the County Office must, as applicable:

- immediately spot-check the commodity
- draw samples of the commodity to verify the condition
- notify the producer of **all** of the following:
 - condition of the collateral, using the letter in Exhibit 5, subparagraph M
 - if the condition of the collateral can be corrected, to correct the problem within 30 calendar days
 - if the condition of the collateral **cannot** be corrected, the maturity date of the loan must be accelerated according to paragraph 321.

322 Loan Collateral Storability Questioned (Continued)

C Action When Corrective Action Is Taken

Send the producer the following letter when **both** of the following apply:

- County Office is notified by the producer that corrective action has been taken and the commodity is ready for a follow-up spot check
- follow-up spot check confirms the collateral appears to be in storable condition.

(Date)

Dear _____:

A recent inspection of the collateral for your (*year*)-crop (*commodity type*) loan (*number*) was completed on (*month, day, year*) to determine the result of corrective actions you have taken to resolve the storability problems.

The current inspection shows the following results:

Storage Structure

Condition

The collateral now appears to be in a storable condition. Thank you for your prompt action in correcting the situation. You should; however, continue periodic checks to see that the collateral remains in good condition.

Sincerely,

County Executive Director,
_____ County FSA Office

322 Loan Collateral Storability Questioned (Continued)**D Nonrecourse Loan Action**

When the maturity date of a nonrecourse loan has been accelerated according to subparagraph B, County Offices must:

- if commodity can be delivered in a reasonable amount of time:
 - include delivery instructions on CCC-691, according to paragraph 801, with the applicable demand letter in Exhibit 18, subparagraph F or G
 - complete delivery according to this subparagraph and Part 8
- if CCC is unable to accept delivery in a reasonable length of time, proceed with a local sale according to Part 8, Section 3, County Offices must do the following:
 - obtain a representative sample and submit to GIPSA for grade determination

Note: Quality determination fees must be paid by the County Office according to 1-FI, and the producer is charged this fee on the loan settlement.
 - determine quantity when the purchaser takes the commodity
 - base the settlement with the producer on the GIPSA grade determination and weighed quantity and not on the sale proceeds.

E Recourse Loan Action

Recourse loan collateral is ineligible for delivery to CCC. When the maturity date of a recourse loan has been accelerated, County Offices will:

- establish receivables in NRRS according to 64-FI and current FI directives
- complete the local sale, if applicable, according to Part 8, Section 3, applying the sale proceeds to the receivables established
- **not** issue CCC-691.

323 County Office Spot-Check Review

A Reviewing Spot-Check Results

County Offices must:

- notify the producer of any discrepancies using the applicable notification letter according to the following:
 - paragraph 322 for:
 - storability problems
 - storage structure damage
 - Exhibit 5, subparagraph M for:
 - quantity shortages
 - other conditions, as applicable
 - subparagraph 401 B for shortages resulting in loan or LDP **violation**

* * *

- document any discrepancies found, because of a spot check, in COC minutes.

323 County Office Spot-Check Review (Continued)**B Quality of Nonrecourse Loan**

For nonrecourse loans, if the quality as determined from the sample indicates the commodity is **ineligible** for a nonrecourse loan at the full loan rate, notify the producer using the notification letter in Exhibit 5, subparagraph M that the loan collateral is eligible **only** for an adjusted loan rate.

Note: Farm-stored commodities ineligible for a nonrecourse loan at the full loan rate include commodities with a test weight on the additional schedule of discounts, low quality (sample grade) commodities, contaminated commodities, and commodities harvested as other than grain.

Within 30 calendar days, the producer must do 1 of the following:

- agree to reduce the loan rate to the applicable loan rate according to paragraph 520
- convert to recourse loan according to paragraph 1200
- repay the entire loan at the lesser of the following:
 - principal plus interest
 - market loan repayment rate in effect on the day the repayment is received.

If the producer does **not** respond within the 30-calendar-day notification period, the maturity date of the loan shall be accelerated according to paragraph 321 and Exhibit 5, subparagraph O.

C Converting to a Recourse Loan

County Offices will convert a nonrecourse loan to a recourse according to current PS procedure.

324 State Office Spot-Check Review**A Reviewing County Office Spot Checks**

State Offices will:

- establish controls to monitor County Office spot check completions
- annually review County Office spot check folders to ensure that:
 - spot checks when required are being performed in a timely manner
 - appropriate follow-up action is taken to correct problems detected
 - document the results of these reviews according to subparagraph C

Note: State Offices may determine when counties must perform additional spot checks within their State.

B Reviewing Loans Open After Maturity

State Offices must monthly review the SOR's List of Loans Open After Maturity to ensure that matured or unsettled loans are being properly handled and, when applicable, transferred out of CLPS and a receivables established in NRRS on a timely basis.

C STC and State Office Spot Check Requirements

STC and State Office spot check requirements are as follows.

Paragraph Reference	Spot Check
230	STC, or STC designee, must annually spot check 25 percent of COC-determined reasonable estimate of yields for each commodity. Note: The STC must determine that the yields are reasonable based on the current crop year.
304	State Offices must annually spot check the commodity inspector's work to determine the accuracy of the employee's work.
324	State Offices must review: • county spot check folder annually to ensure that spot checks are performed timely, and that appropriate follow-up action is taken to correct problems • the list of loans open after maturity on a monthly basis to ensure that matured or unsettled loans are properly handled.
336	STC, or STC designee, must annually spot check COC -determined yields established for producers harvesting commodities as other than grain.

325-334 (Reserved)

Section 3 Production Evidence

335 Requirements

A Required Production Evidence

[7 CFR 1421.12] Production evidence is **required** for any farm-stored loan quantity on which a market gain is received or LDP **selected for spot check** according to 2-CP.

B Production Evidence Not Required

Production evidence is **not** required for any producer's loan or LDP that is **not** selected for spot check.

Outstanding loans repaid under CCC-681-1 provisions are **not** subject to spot check if delivery or production evidence was submitted at time of repayment.

LDP's are **not** subject to spot check if production evidence was submitted at time of request for LDP.

C Acceptable Production Evidence

Acceptable types of production evidence are:

- cleaning tickets for seed
- delivery evidence

Note: Delivery evidence provided for CCC-681-1 must meet the requirements according to subparagraph D to be considered production evidence.

- evidence of sales
- load summaries from warehouse, processor, or buyer
- maximum eligible quantity determined according to paragraph 336
- paid measurement service
- scale tickets, if **not** issued by the producer for the producer's own production and issued as a commercially acceptable arm's length transaction
- spot check measurements with paid measurement service
- warehouse receipts.

Production evidence may be handwritten but is **not** acceptable for any type of production evidence submitted by the producer for the producer's own production.

335 Requirements (Continued)

D Required Information for Production Evidence

All production evidence submitted including scale tickets, except for maximum eligible quantity determined, **must** show the following requirements:

- producer's name
- crop year
- may be certified or provided by the producer
- commodity
- net weight for grain sorghum and oilseeds, **except** soybeans
- net weight for dry peas reduced for foreign and other material

Note: Evidence must include the following statement, "Sample contains _ percent of whole, broken or pieces of peas."

Example: Producer requested LDP on 7,000 cwt. of marrowfat peas at \$2.68 (LDP rate). The settlement sheet includes:

- the statement, "Sample contains 97.5 percent of whole broken or pieces of peas."
- dockage breakdown: small peas, 2.0 percent; splits, 1.8 percent; other material, 1 percent
- defects and foreign material breakdown: foreign material, 1.5 percent; bleached, 86.2 percent.

The quantity will be reduced by 2.5 percent (foreign and other material **only**). The producer would receive LDP for \$18,291 based on 6,825 cwt. (97.5 percent of 7,000 cwt) x \$2.68 (LDP rate).

- net bu. for barley, corn, oats, soybeans, and wheat
- class, if applicable
- date of sale if commodity was sold.

Note: County Offices may convert the weighed quantity to the applicable unit of measure, with concurrence from the producer, using the unit equivalency according to 2-LP Grains and Oilseeds, as applicable.

335 Requirements (Continued)

E Production Evidence Requirements for Open Storage

It is **not** mandatory at the time of LDP request that the producer deliver a negotiable warehouse receipt or acceptable production evidence to the FSA County Office for the commodities placed in open storage.

The producer **must** have the capability to obtain a negotiable warehouse receipt or provide another form of acceptable production evidence, if requested. Any other form of acceptable production evidence that is submitted may be verified by the warehouse that ownership or title of the delivered commodity remains with the producer if required by the County Office.

If load summary sheets or delivery records are provided instead of negotiable warehouse receipts, it is the responsibility of the producer to provide production evidence that includes a certification statement from the warehouse indicating the following:

“Title and control remains with the producer and a negotiable warehouse receipt can be issued to the producer for the quantity physically delivered to the warehouse.”

The warehouse operator certification statement is good for 30 calendar days. If the producer provides the certification statement 30 calendar days after the warehouseman’s signature and date, County Offices **must** call the elevator to verify the commodity is still in open storage.

Notes: A certified CCC-633 EZ can be accepted if the producer is submitting a CCC-633 EZ, page 2 and is requesting the date of the LDP request as the LDP rate.

If the LDP request is based on the date beneficial interest is lost, production evidence **must** be submitted with CCC-633 EZ.

See Part 10 for additional information on LDP’s.

335 Requirements (Continued)**F Unacceptable Production Evidence**

Unacceptable production evidence may be documentation that:

- indicates someone other than the producer
- does **not** meet the requirements for acceptable production evidence.

If the producer submits production evidence with a different person/entity name, COC must review the evidence thoroughly to verify whether the production is eligible. Different names on the production evidence should be reviewed to determine relationships to producer and other farming interests and to ensure that beneficial interest has been maintained.

These different person/entity names are, but **not** limited to, the following:

- church organizations
- minor children
- other charitable entities
- owners
- spouse.

G Production Evidence Voluntarily Submitted

County Offices will accept production evidence when producers **voluntarily** provide production evidence and were **not** selected for spot check.

See Part 4 for determining possible violations.

335 Requirements (Continued)

H Moisture Determinations

Follow this table when moisture **is** indicated on the production evidence.

IF...	THEN adjust the quantity to the eligible moisture level according to...
moisture level is indicated on the production evidence and the net quantity has not been adjusted	paragraph 528 or 1005, as applicable.
production evidence indicates the net quantity has been adjusted for moisture but not to the acceptable moisture level shown in 2-LP Grains and Oilseeds Note: A monetary reduction for moisture in the form of a discounted sales price is not a quantity reduction.	paragraph 528 or 1005, as applicable. Note: Do not adjust the quantity upward if the evidence indicates the quantity was adjusted below the acceptable moisture level.

Note: Use the shrink factors for excess moisture in the tables in Exhibit 10 to adjust the quantity for excess moisture.

335 Requirements (Continued)

I Measurements as Production Evidence

Quantities determined by measurement service may be used to determine whether **new** LDP's or refunds are applicable.

Use this table when measurements are used as production evidence for a requested loan or LDP.

IF the producer...	AND the...	THEN...
requests and pays for measurement service for loan or LDP	moisture content: - exceeds the standard moisture level for the applicable commodity - is equal to or less than the moisture level set by STC	- reduce the quantity by applying the applicable shrink factor - use the test weight to determine quantity, if applicable.
requests and pays for measurement service for loan or LDP, after disbursement and before spot check selection	producer agrees to use the measured quantity as production evidence	producer must: - request, at the County Office, to use the measured quantity as production evidence for the requested loan - initial and date CCC-677-1 - place CCC-677-1 in producer's loan file. Note: Other forms of acceptable production evidence, according to subparagraph C, will not be accepted.

335 Requirements (Continued)

I Measurements as Production Evidence (Continued)

IF the producer...	AND the...	THEN...
requests and pays for measurement service for loan	producer does not use the measured quantity as production evidence	other forms of acceptable production evidence, according to subparagraph C, must be used. If the producer later requests to use the measurement service as production evidence, the producer must initial and date CCC-677-1.
does not request and pay for measurement service		other forms of acceptable production evidence must be provided according to subparagraph C if selected for spot check.
will use part of the quantity measured as either of the following: • for seed • for feed		producer must do either of the following: • agree to use the measured quantity as production evidence • pay for the commodity to be used for seed or feed to be measured separately from other production.
requests to use the measurements resulting from a spot check for loan or LDP	producer agrees to use the measured quantity as production evidence	producer must do both of the following: • pay the measurement service fee • initial and date CCC-677-1.

Note: If using measurements from CCC-677-1 as production evidence, producer **must** initial and date CCC-677-1 within 30 calendar days of the completed measurement.

335 Requirements (Continued)**J Combinations of Production Evidence**

To meet time requirements for submitting production evidence or for other reasons, producers may use a combination of measurement services and other forms of acceptable production evidence for each loan or LDP spot-checked.

COC **must** be satisfied that documentation submitted and quantities measured do **not** represent the **same** quantity. If questionable, COC may require the producer to submit documentation to account for **all** of the production. Additional review may be necessary if the measurement date is prior to the dates on other production evidence submitted.

K Production Evidence Shows Less Quantity

If the total quantity shown on production evidence provided is less than the original loan or LDP quantity, see paragraph 339 for determining repayment of unearned market gain or LDP amount. If production evidence is **not** provided, see paragraph 338 for determining repayment of unearned market gain or LDP amount.

Deficient production evidence without evidence that supports a violation does **not** mean that a violation occurred. Accordingly, when shortages appear excessive, COC's **must** determine whether additional research is necessary to verify whether there is a violation according to Part 4.

335 Requirements (Continued)**L Maintaining Copies of Production Evidence Submitted**

When production evidence is submitted, County Offices must:

- date-stamp and write the County Office name on the original evidence, **except** warehouse receipts, **before** copying
- make copies of the evidence submitted
- place copies in the loan or LDP folder
- review production evidence to determine eligibility
- return the originals to the producer.

336 Maximum Eligible Quantity**A Actual Production**

LDP's for commodities harvested as other than grain will be made on actual production. Maximum eligible quantity is considered production evidence for:

- commodities harvested as other than grain according to Part 10, Section 2
- silage and commodities harvested as hay
- commodities stored in structures that cannot be measured
- commodities immediately fed during harvest
- commodities fed or seed quantities planted after LDP is disbursed or market loan repayment with no paid measurement service:
 - before feeding
 - before seeding
 - after spot check.

Note: Complete CCC-633EW according to subparagraph E, as applicable.

336 Maximum Eligible Quantity (Continued)**B STC and COC Responsibilities**

STC and COC have major roles and responsibilities determining, reviewing, and approving certain determinations that affect many producers, such as determining whole kernel grain yields for producers who harvest crops as other than grain.

STC's should play an active role in providing guidance to COC's to ensure that responsible and equitable determinations are made.

COC's **must**:

- ensure that the actual production determinations fairly reflect what a producer's anticipated yield would have been had that actual crop been harvested as grain

Example: If the commodity is affected by any disaster, such as drought, hail, etc., the yield must be adjusted to accurately reflect the actual yield if the crop was allowed to be harvested as grain.

- protect program integrity by ensuring that actual production determinations are made in a realistic manner, are well documented, and can be supported when reviewed by auditors.

STC's and COC's are in the best position to know what production levels or practices are reasonable for their area. This responsibility is being entrusted to STC's and COC's to deliver the program in the most feasible, reasonable, and reliable manner possible. Adjoining County Offices that are divided by State boundaries are encouraged to work with both STC's when determining acceptable production levels and practices for those applicable counties.

STC or designee must monitor maximum eligible quantity determinations established by the COC.

336 Maximum Eligible Quantity (Continued)**C Determining Maximum Eligible Quantity**

Determine the maximum eligible quantity of commodities listed in subparagraph A according to this table. All determinations **must**:

- be equivalent to the whole grain yield for that crop
- reflect disaster conditions, as applicable.

COC must exercise judgment and rely on their knowledge of practices and growing conditions when:

- determining the maximum eligible quantity from any method
- adjusting the results of any method according to STC guidelines, as applicable.

Note: COC's **must**:

- document in COC minutes to support any method determined on COC's judgment or knowledge; **except** for method 1, establish a reasonable production yield from any order
- document in COC minutes, justification for using any method or a combination of methods.

336 Maximum Eligible Quantity (Continued)

C Determining Maximum Eligible Quantity (Continued)

Method	Description
1	Crop appraisals for disaster-affected acreage. The intent of using a crop appraised yield is to have the same yield established for LDP's and crop disaster related programs. Producers are eligible to receive LDP's and MAL's for commodities harvested as other than grain only if the commodity harvested as other than whole grain could have been harvested as whole grain. Therefore, LDP's and MAL's are not authorized on silage, haylage, etc., as such, but as whole grain represented in that crop. If a producer has applied for crop insurance indemnity or NAP on the acreage related to the disaster, the crop appraisal on file must be used when determining the maximum eligible quantity for commodities harvested as other than grain for loans or LDP's. Note: No other method is applicable if this method applies. Exception For Using Crop Appraisals COC's may determine maximum eligible quantity determinations by using other methods when a crop appraisal is on file only if either of the following apply: • appraisal has been completed on units that differ from the FSA farm that the LDP or MAL has been requested • appraisal has been completed on multiple farms and the documentation does not differentiate between farms. Before COC can make a determination, the producer must provide applicable documentation to COC to support that the LDP production is not from the crop appraised acreage. Note: Producers are responsible for providing documentation, as applicable.

336 Maximum Eligible Quantity (Continued)

C Determining Maximum Eligible Quantity (Continued)

Method	Description
2	The applicable crop's comparable, actual production harvested as grain on the same farm. This method is to be used if a crop appraisal was not conducted.
3	COC's may establish a yield to determine maximum quantity based on eligible COC's judgment, knowledge of practice, and grazing conditions in the county. This method is to be used if a crop appraisal was not conducted and actual production harvested as grain is not available.
4	Use a conversion factor to determine the bu. equivalent of silage weighed by ton. This is applicable only to weighed production. The conversion factors are: • 6.47 for barley • 3.11 for large chickpeas • 6.00 for small chickpeas • 7.94 for corn • 5.51 for dry peas • 3.114 cwt. for grain sorghum • 4.30 for lentils • 4.08 for oats • 5.00 for soybeans • 6.99 for wheat. Multiply the applicable conversion factor times the ton (or cwt. for grain sorghum) to determine bu. Divide bu. by the actual harvested acres to determine bu. per acre for reasonableness. COC's may adjust the conversion factor based on COC's judgment and knowledge of practices, crop variety, and growing conditions in the county.
5	Except for method 1, if no other method is available to determine bu. equivalent of hay per acre, the following yield is: • 29.15 for barley • 14.00 for large chickpeas • 12.51 for small chickpeas • 64.50 for corn • 17.38 for dry peas • 34.75 for grain sorghum • 13.55 for lentils • 30.25 for oats • 19.50 for soybeans • 19.85 for wheat. Multiply the applicable yield times the acre to determine the maximum bu. COC's may adjust the yield based on COC's judgment and knowledge of practices and growing conditions in the County.

Notes: Except for the conversion factor method, calculate maximum eligible quantity for commodities harvested as other than grain by multiplying acres harvested times the yield.

COC **must** approve all maximum eligible quantity determinations and document accordingly, including notifying the producer of the yield determination and providing appeal rights, as applicable.

Using yields from comparable farms is **not** permitted.

336 Maximum Eligible Quantity (Continued)**D Using CCC-633EW's**

CCC-633EW is a:

- worksheet for determining maximum eligible quantity for all producers of a specific commodity per farm
- a ledger to account for each loan or LDP quantity.

Note: Producers who request a loan at the reduced loan rate or LDP on a commodity harvested as other than grain cannot request a quantity that exceeds the maximum eligible quantity according to CCC-633EW.

County Offices must complete one CCC-633EW if all of the following apply:

- there are multiple farms
- producer is the same for all farms
- production is commingled.

Note: Eligible acres of grain production obtained from FSA-578 **must** include all totals from all farms. The yield will be the same for the commodity from all farms regardless of which farm the commodity was actually produced.

336 Maximum Eligible Quantity (Continued)

E Completing CCC-633EW's

Complete CCC-633EW for **each** request when maximum eligible quantity **must** be determined.

Item	Instructions
*--1	Enter the name and address of the contact producer.
2	Enter the crop year.
3	Enter the commodity.
4	Enter the State and county code.
5	Enter the farm number.--*
6	Complete item 6 to determine a whole grain yield if whole grain has been harvested.
6 A	Enter the farm number if different from item 5.
6 B	Enter the eligible acres of grain production from FSA-578.
6 C	Enter the actual grain production. Actual production must be verifiable or supported by acceptable production evidence.
6 D	Divide item C by item B to determine the actual whole grain yield.
7 A – B	Complete items 7 and 8 to determine a reasonable production yield, method 3, based on COC's judgment, knowledge of practice, and grazing conditions, if method 1 or 2 is not applicable.
8	Complete item 8 to determine a COC-established yield, crop appraisal yield, or production determined by using conversion factors, as applicable.
9	Determine maximum eligible quantity and maintain the ledger of the maximum quantity available as follows, in item 9: • A, enter LDP or loan number • B, enter applicable acreage from FSA-578 (acres should include harvested as grain and other than grain) • C, leave blank • D, leave blank • E, enter calculated yield from item 8 • F, multiply item B times item E • G, maintain a balance of the maximum quantity available. Apply the loan or LDP quantity against the maximum eligible quantity. Do not allow the producer to receive loan or LDP on quantities in excess of the maximum eligible quantity. If individual producers from joint operations apply on separate loan or LDP applications, create a separate ledger showing their share of the maximum quantity available.

F Example of CCC-633EW Using Actual Production

The following is an example of CCC-633EW using actual production.

[illegible]

336 Maximum Eligible Quantity (Continued)

G Example of CCC-633EW Using COC-Established Yield

The following is an example of CCC-633EW using COC-established yield.

This form is available electronically.

CCC-633EW (09-05-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Name and Address of Contact Producer Able Farmer 9999 Any Rd. Town, ST 99999-9999			
Loan and LDP Eligibility Worksheet Commodities Harvested As Other Than Grain Determining Maximum Eligible Quantity				2. Crop Year 2010		3. Commodity Corn	
				4. ST. and CO. Code 99-9999		5. Farm Number 9999	
6. Whole Grain Yield on Actual Production:							
A. Farm Number		B. Eligible Acres		C. Actual Production		D. Actual Whole Grain Yield (Item C divided by Item B)	
		200.0		30,000 BU		150 BU	
7. COC Established Yield:							
A. Established Yield 124.7 BU/AC				B. Justification: Method 4 - Scale Tickets of harvested silage attached - 550 tons/35ac = 15.71 tons/ac x 7.94 factors			
8. Commodity Other Than Grain Yield 124.7 BU/AC							
9. Commodities Harvested As Other Than Grain Determination:							
A. Loan/LDP Number	B. Acreage	C. Share%	D. Producer Name	E. Calculated Yield (from Item 8)	F. Maximum Eligible Quantity (Item B X Item E)	G. Maximum Quantity Available	
						(1) Used	(2) Balance
199	35			124.7	4364.5	2000.0	2364.5
200					2364.5	500.5	1864
300					1864	1864	-0-

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail, U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

337 Dates for Submitting Evidence**A Final Dates to Submit Evidence**

Producers **must** submit production evidence for:

- sold quantities within 15 calendar days from date of request
- commodities stored on the farm, the earlier of the following:
 - 15 calendar days of when the commodity has been sold
 - loan maturity date
 - last day of the 9th calendar month after the month in which LDP was disbursed.

B Production Evidence Not Submitted

If producers have **not** submitted production evidence by the final date to submit evidence, County Offices must notify applicable producers in writing that:

- production evidence **must** be submitted within 30 calendar days from the date of notification
- LDP's and loan market gains, plus interest, **must** be refunded to CCC if production evidence is **not** received in the County Office within 30 calendar days from the date of notification.

COC may accept production evidence **after** the deadline and rescind the demand for refund; if it is determined the delay in submitting production evidence resulted from circumstances beyond the producer's control.

See Exhibit 5, subparagraph M for the applicable letter.

338 Failure to Provide Acceptable Production Evidence**A Loan Provisions**

County Offices must follow the procedures in this table for market loan repayments when the producer receives a market gain and when:

- **no** acceptable production evidence is received in the County Office within 30 calendar days from date notified according to subparagraph 337 B using the letter in Exhibit 5, subparagraph M
- the total loan quantity on which a market loan gain was earned is determined ineligible.

See paragraph 336 if the producer reports the commodity was fed.

Step	Action
1	County Offices will cancel the applicable repayment(s) according to 16-PS.
2	County Offices will reenter the repayments using the lump sum repayment option according to 16-PS to repay as much of the quantity at principal plus interest as possible. COC will determine if this was a violation and assess liquidated damages, according to Part 4, if applicable.
3	County Office will send the producer the letter in Exhibit 5, subparagraph M notifying the producer of the balance owed on the loan. Interest will continue to accrue: • at the interest rate in effect for loans for the month the loan was disbursed • from the date the loan was disbursed to the earlier of the following: • date of repayment • date a receivable is established in NRRS. Apply all repayments received to the loan in CLPS.
4	If the outstanding loan principal and interest is not paid in full by the 31st day after the producer has been sent the letter in Exhibit 5, subparagraph M: • establish receivables in NRRS according to current FI procedure • the State Office will request the loan be settled in CLPS through CLPS SharePoint.

338 Failure to Provide Acceptable Production Evidence (Continued)**B LDP Provisions**

County Offices will follow the procedures in this table for LDP's when:

- **no** acceptable production evidence is received in the County Office within 30 calendar days from date notified according to subparagraph 337 B by using the letter in Exhibit 5, subparagraph M
- the total LDP quantity is determined ineligible.

See paragraph 336 if the producer reports the commodity was fed.

Step	Action
1	Correct LDP according to 19-PS. A receivable will automatically be established in NRRS, and NRRS will send out the required notification and demand letter. Assess liquidated damages, as applicable.
2	Program interest on the LDP overpayment amount will be calculated from the date LDP was made to the earlier of the following: • date of repayment • date of demand letter. Note: Late payment interest will automatically be assigned by NRRS and: • is the rate of interest FSA charges on debts that are 60 calendar days or older • accrues from the date of first demand letter.

339 Insufficient Production Evidence

A Quantity Less Than Loan Quantity or Portion Determined Ineligible

Follow this table for market loan repayments when there is market gain earned if the quantity shown on the production evidence is **less than** the loan quantity or a portion of the loan quantity is determined ineligible for a market loan gain repayment.

Step	Action
1	If the quantity shown on the production evidence provided by the producer is: • less than the quantity repaid with market gain, and is within tolerance, or not within tolerance, cancel the applicable repayment(s) according to 16-PS and: • correct by reentering in CLPS a market loan gain repayment for the quantity on which production evidence is available • then, reenter as a lump sum repayment at principal plus interest a repayment for the remaining amount of the producers remittance that has already been deposited • if COC determines: • a discrepancy, do not assess liquidated damages • a violation, access liquidated damages according to paragraph 412 • equal to or greater than the quantity repaid with market gain, no further action is necessary.
2	County Office must notify the producer using notification the letter in Exhibit 5, subparagraph M of the amount still owed on the loan and that that amount must be repaid. Note: Program interest will continue to accrue from the date the loan was disbursed to the earlier of the following: • date of repayment • date of demand letter.
3	If the outstanding loan principal and interest is not paid in full by the 31st day after the producer has been sent the letter in Exhibit 5, subparagraph M: • establish receivables in NRRS according to current FI procedure • request the loan be settled in CLPS through CLPS SharePoint.

339 Insufficient Production Evidence (Continued)

B Quantity Less Than LDP Quantity or Portion Determined Ineligible

Follow this table for LDP's if the quantity shown on the production evidence is **less** than the LDP quantity or a portion of the LDP quantity is determined ineligible.

Step	Action
1	If the quantity shown on the production evidence provided by the producer is: • less than the original LDP quantity and is: • within tolerance, or not within tolerance and determined to be a discrepancy, correct the LDP according to 19-PS, Part 6 and do not assess liquidated damages • not within tolerance and determined to be a violation, correct the LDP according to 19-PS, Part 6 and manually calculate liquidated damages according to paragraph 412 • equal to the original LDP quantity, no further action is necessary.
2	The unearned LDP for the ineligible quantity will be established as a receivable in NRRS. The County Office must manually establish a separate receivable in NRRS for any liquidated damages assessed using the program code PSLIAMSMM where COMM is replaced with the applicable alpha commodity code.

340 Apportioning Commingled Production Evidence**A Commingled Production Evidence**

If the producer provides production evidence, the production evidence is considered commingled if it represents:

- 1 or more loans **and** different market gain rates were used for repayment
- more than one LDP **and** different LDP rates were used
- a combination of loans and LDP's **and** different market gain rates were used for repayment or to make LDP's.

340 Apportioning Commingled Production Evidence

B Reviewing Production Evidence

County Offices will follow this table to review production evidence when provided.

Step	Action
1	Determine whether the production evidence represents 1 of the following: • more than one LDP • more than 1 loan • a combination of LDP's and loans.
2	Determine whether: • more than one LDP or market gain rate applies • evidence represents a farm that does not have LDP or loan.
3	Review the production evidence submitted to determine loan eligibility based on grading factors, if shown.
4	Identify any ineligible quantity including quantities: • for which beneficial interest was lost before LDP or loan was approved • from ineligible acres. Note: If commingled evidence includes a farm on which LDP or loan was not obtained, require the producer to provide total production for all farms commingled in the production.
5	Deduct the following from the total production evidence submitted: • quantity from farms without a loan or LDP • ineligible quantity.

340 Apportioning Commingled Production Evidence (Continued)

C Apportioning Resulting Evidence to Each Loan and LDP

After the evidence is separated according to subparagraph B, the eligible evidence **must** be adjusted and apportioned to each LDP and loan repayment associated with the evidence.

Adjust and apportion the eligible production evidence using this table. See subparagraph D for an example.

Step	Action	Result
1	Add the following for farm-stored LDP's and loans: • quantity on which payment was made for each LDP • quantity for each loan. Exception: Do not include LDP or loan quantities for which measurement service was used as production evidence for the entire LDP or loan.	The quantity that will be used to apportion the result of step 2.
2	From the total eligible production evidence determined according to subparagraph B, subtract: • total LDP quantity for all LDP's • total loan quantity for farm- and warehouse-stored loans.	The additional quantity for payment that will be apportioned between LDP's and loan repayments.
3	Divide the smaller of the result in step 2 or 3 by the result in step 1, and round to 4 decimal places. Note: This factor will not exceed .1000 if steps 1 through 3 are properly determined.	A factor for apportioning the additional quantity.

340 Apportioning Commingled Production Evidence (Continued)

C Apportioning Resulting Evidence to Each Loan and LDP (Continued)

Step	Action	Result
4	Multiply the factor determined in step 3 by each quantity determined in step 1, and round to 2 decimal places. When different market gain rates were used to repay an individual loan, multiply the factor times: • each repayment quantity to determine the additional quantity at each market gain rate for manual calculations • the total quantity repaid for automated transactions.	The additional quantity as prorated to each LDP or loan repayment.
5	Add the results of step 4 to each corresponding LDP or loan repayment quantity.	The quantity used to recalculate LDP or loan amount for each applicable loan repayment.

340 Apportioning Commingled Production Evidence (Continued)

D Example of Apportioning Eligible Production Evidence

In this example, the producer cash rents 5 farms. Each farm has received a corn loan, LDP, or a combination of the loan and LDP.

- **Loan Information**

Loan No. 1: Certified 5,400 bu. (5400-loan) from farms A and B.

3 repayments:

- 2,000 bu. market gain was \$0.50 per bu.
- 2,000 bu. market gain was \$0.00 per bu.
- 1,400 bu. market gain was \$0.30 per bu.

Loan No. 3: Warehouse-stored 10,000 bu. from farms B and C.

Loan No. 5: Warehouse-stored 12,000 bu. from farm E.

- **LDP Information**

LDP No. 2: Measured 10,000 bu. from farms A and C.

Note: The measurements were used as production evidence.

LDP No. 4: Certified 8,800 bu. (8,550 bu. requested LDP quantity) from farms A and D. LDP rate is \$0.35.

- **Production Evidence**

The producer provided, before final loan availability date, a load summary sheet from 1 warehouse with 45,927 bu. of corn delivered.

The producer stated that the production evidence includes the total production from all 5 farms cash rented and cannot be identified by farm, loan, or LDP. All production has been sold.

340 Apportioning Commingled Production Evidence (Continued)

D Example of Apportioning Eligible Production Evidence (Continued)

- Results of County Office Review of Production Evidence**

The following determinations were made in the County Office review of production evidence:

- the evidence submitted was for all of the production from all of the farms represented by LDP's and loans requested
- evidence was commingled between all loans and LDP's requested
- all production was eligible at the time LDP or loan was approved.

- Apportioning Resulting Evidence**

Using this table in subparagraph C, apportion the resulting evidence using this table.

Step	Calculation	Result
1	5,400 bu. (loan no. 1: certified farm stored) + 8,550 bu. (LDP no. 4: certified farm stored) =	13,950 bu. under loan and LDP
2	Total production evidence submitted = 45,927 bu. - 10,000 bu. (LDP no. 2) - 8,550 bu. (LDP no. 4) - 5,400 bu. (loan no. 1) - 10,000 bu. (loan no. 3) - 12,000 bu. (loan no. 5) = -23	short 23 bu.
3	23 bu. shortage is prorated between loan no. 1 and LDP no. 4 because the other 3 either warehouse stored or measured with the measurements used for production evidence. $23 \div 13,950 = .0016$	.0016 factor for apportioning shortage
4	8,550 x .0016 (LDP #4)	13.68 bu.
	2,000 x .0016 (loan no. 1)	3.2 bu.
	2,000 x .0016 (loan no. 1)	3.2 bu.
	1,400 x .0016 (loan no. 1)	2.24 bu.
5	8,550 bu. - 14 bu. (LDP no. 4)	8,536 bu.
	2,000 bu. - 3 bu. (loan no. 1)	1,997 bu.
	2,000 bu. - 3 bu. (loan no. 1)	1,997 bu.
	1,400 bu. - 3 bu. (loan no. 1)	1,397 bu.

341 New Loans or LDP's Based on Submitted Production Evidence**A Basic Provisions**

Additional market gain payments or additional LDP's are **not** available when production evidence is submitted. Any amount that exceeds LDP quantity or the market gain amount **must** be requested on a new LDP or new loan.

B New Payments

New LDP's and MAL's based on the quantity eligible for additional market gain may be requested when all of the following apply:

- production evidence is provided
- loan and LDP is requested by the final loan availability date
- producer maintains beneficial interest in the commodity through the date the new LDP request is received in the County Office according to paragraph 227.

C Applicable Rates

For:

- LDP's, the rate is the rate in effect on the date of the new LDP request, as applicable
- loans, the loan rate is applicable to the loan according to Part 5.

342-399 (Reserved)

Part 4 Violations**Section 1 General Provisions****400 Producer Liability****A Liability**

When a producer obtains a commodity loan or requests LDP, the producer agrees:

- to the terms and conditions, when signing CCC-633 EZ, CCC-666, CCC-677, or CCC-678
- **not** to do either of the following:
 - provide an incorrect certification of the quantity or make any fraudulent representation, including misrepresentation, of the eligibility of a commodity
 - for any quantity of a commodity pledged as collateral for CCC commodity farm-stored loans:
 - dispose of without authorization
 - remove without authorization.

See Exhibit 2 for further definitions of the types of violations, including incorrect certification, unauthorized disposition and unauthorized removal, as applicable.

B Violating Terms and Conditions

Violation means the breach of any of the terms and conditions of the loan or LDP agreement, which includes the regulations by reference. Any discrepancy in the loan collateral whether or **not** within tolerance may be considered a violation.

Any producer determined to have discrepancies **not** within tolerance, and/or COC determines a violation occurred or has violated the terms and conditions of the applicable forms identified in subparagraph A, will be subject to:

- liquidated damage assessment and other administrative actions, and will be liable for monetary amounts as specified in the applicable regulations and terms and conditions of the applicable forms
- criminal prosecution under Federal law.

In cases of illegal activity, such as fraud, see 9-AO.

See subparagraphs C and D for COC and County Office action.

400 Producer Liability (Continued)

C Guide for Handling Violations

Review Part 4, Section 2 about violations.

Item	Action
1	Verifying Discrepancy: Complete a second party review of the test weight and pack factors and the calculations on the CCC-677-1 according to Exhibit 15. Note: It is important that spot checks are performed and required actions taken when a discrepancy is discovered.
2	Initial Notification: If a violation is suspected or determined to have occurred, the County Office must send the letter in Exhibit 5, subparagraph N, notifying the producer of the worst case scenario (no good faith, accelerating the loan maturity date, liquidated damages, denial of farm-stored loans). Notes: If the producer is in bankruptcy, contact your State Office before sending letters. If the violation involves COC member, refer the case to STC.
3	Repayments: If the producer makes a repayment on the loan, accept the money, but do not advise the producer that because the shortage is repaid, it releases him/her from administrative or legal actions. For any repayment received for the loan involved in the violation, insert the following statement on the CCC-500 payment receipt, “This payment will not release you from administrative or legal action or from additional administrative actions.”
4	Actions Taken After Notification: Follow the table in subparagraph 401 D for applicable COC actions required after the initial notification letter has been sent to the producer.
5	COC Determinations: COC will determine the type of violation the earlier of: • 30 calendar days after the notification letter or • after the producer responds. If COC determines the violation to be: • incorrect certification or unauthorized removal, the COC must determine whether: • the producer acted in good faith according to STC guidelines (paragraph 412) • liquidated damages should be reduced or waived (paragraphs 412 and 413) • future farm-stored loans should be denied and for how long (paragraph 414). • unauthorized disposition, COC will not make a determination of good faith/no good faith or take any other administrative action until authorized by the State Office. Follow subparagraph D and paragraph 413. Note: If the producer fed, sold or lost beneficial interest in the commodity, the violation must be considered unauthorized disposition.

400 Producer Liability (Continued)

C Guide for Handling Violations (Continued)

Item	Action
6	Good Faith: If COC determined good faith according to STC guidelines, send the good faith demand letter in paragraph 410. This letter rescinds the acceleration of the loan maturity date, provides appeal rights, if applicable, and makes demand for the following which is applicable to the quantity found to be in violation: • loan principal or LDP amount • interest • liquidated damages • market gain. Notes: Justification for determining good faith must be thoroughly documented in the COC minutes including why the violation was considered inadvertent, accidental or unintentional. If good faith is determined, COC has authority to waive or reduce liquidated damages. Such waiver must be documented in the COC minutes. Receivables will be established for quantity in violation and liquidated damages, if applicable.
7	No Good Faith: If COC could not determine good faith according to STC guidelines, send the “No Good Faith Demand” letter in paragraph 410. This letter: • advises that any future CCC/FSA payments will be offset against the debt and the amount owed transferred to receivables in NRRS • demand letters will be issued through NRRS according to 64-FI • provides instructions on what to do with any remaining loan collateral • provides appeal rights, if applicable. Note: If circumstances warrant the reduction or waiver of liquidated damages, the COC must submit a memorandum to STC requesting the reduction or waiver.. The memorandum must provide detailed documentation justifying the request.

400 Producer Liability (Continued)

D Unauthorized Dispositions

Review Part 4, Section 2 about unauthorized dispositions.

Item	Action
1	All unauthorized disposition cases require special handling and are to be referred to OIG through the State Office.
2	Before making a good faith determination and taking any administrative actions, the case must be reviewed by OIG. The following will be submitted to OIG through the State Office: • memorandum summarizing the situation including: • date the violation was discovered • quantity found to be in violation • outstanding loan amount and the outstanding quantity at the time of the spot check • all actions COC has taken to date (most determinations cannot be made until after OIG responds) • amount and date of any repayments made since the violation was discovered • any special circumstances with respect to the violation • copy of the complete loan file including CCC-677-1. Notes: COC's will not make recommendations as to whether the case should be investigated by OIG. The pending OIG review must not be discussed with anyone without a need to know. When an investigation has been requested or opened, employees must not make any comments or take action that might harm or prejudice the Government's interest in a later criminal or civil suit. OIG may authorize County Offices to establish receivables for the violation principal and interest prior to their decision to investigate. State Offices may request these exceptions especially when payments from other programs are scheduled to be made and it would be in CCC's interest to offset these payments and apply to the receivables for the violation.

400 Producer Liability (Continued)

D Unauthorized Dispositions (Continued)

Item	Action
3	State Office will forward the file to OIG. See 9-AO for the address of the applicable OIG Regional Office for Investigations. Once OIG receives the file they have 30 calendar days to advise FSA as to whether they will investigate the case. It is assumed that OIG will not investigate the case if they do not respond within 30 calendar days.
4	If the County Office receives additional information or documents (including repayment receipts) relating to the loan or the unauthorized disposition, the information or documents must be immediately forwarded to OIG through the State Office.
5	State Office will advise the County Office of OIG's decision.
6	If the case file has been accepted by OIG for investigation, any letters that would be sent to the producer regarding the violation must first be sent to the State Office for review by OIG. OIG wants to ensure that the content of the letter would not hinder any investigation that might take place. If OIG declines to investigate, the County Office will proceed with administrative actions according to subparagraph C, items 6 and 7.

401 Loan and LDP Violations**A List of Loan and LDP Violators**

County Offices will:

- maintain a list of producers who have been determined to have a loan or LDP discrepancy and COC determines a violation occurred, or who have violated the terms and conditions of the applicable forms identified in subparagraph 400 A
- keep producer's name on the list for 24 months after the date the discrepancy and/or when the violation is discovered
- notify all other counties in which the producer has an interest.

This list of violators is:

- **not** considered an administrative action and placement on the list is **not** appealable
- a method of determining whether the producer has had previous violations.

B Notifying Producer

When a discrepancy that is within tolerance is discovered, County Offices must send the producer the notification letter according to Exhibit 5, subparagraph M.

When a discrepancy exceeding the tolerance violation is discovered, County Office must:

- notify the producer of the violation and the actions to be taken, sending the violation notification letter to the producer according to Exhibit 5, subparagraph N
- assume good faith **cannot** be determined for:
 - flagrant violations of loan and LDP agreement terms and conditions
 - incorrect certifications
 - unauthorized dispositions
 - unauthorized removals

Note: See Exhibit 2 for definitions of each type of violation.

- determine what administrative actions are to be taken according to subparagraph 410 A and the amounts due according to subparagraphs 410 D and 412 A.

401 Loan and LDP Violations (Continued)

C Violations Involving COC Members

If the violation involves COC member, refer the case to STC for determination.

Submit a memorandum explaining the details of the situation along with the complete case file.

COC will **not** make any determinations or recommendations about COC member discrepancies.

STC will follow this part when determining violations and assessing liquidated damages for all COC members considered being involved in violations of loan or LDP.

401 Loan and LDP Violations (Continued)

D Actions Taken After Notification

Use this table to determine what actions are required after the notification letter in subparagraph B has been sent to the producer.

IF the producer...	THEN COC will...	IF violation type is...	THEN...
does not respond within the 30-calendar-day notification period	determine what type of violation occurred, and lack of good faith.	incorrect certification	follow subparagraph 400 D and paragraph 413.
		unauthorized removal	
		unauthorized disposition	
appeals the determination	follow paragraph 20.		
responds within the 30-calendar-day notification period, but does not appeal	based on the evidence provided by the producer, what violation occurred, and whether the producer acted in good faith.	IF good faith... is determined and the producer has been involved in 2 or less violations in the previous 24 months	THEN follow... subparagraph 410 B, using the good faith demand letter in subparagraph 410 E.
		cannot be determined or the producer has already been involved in more than 2 violations in the previous 24 months	subparagraph 410 C for assessing administrative actions, as applicable, using the no good faith demand letter in subparagraph 410 F.

Note: If COC determines the violation is an unauthorized disposition or a flagrant incorrect certification, COC will **not** make any other determination **until** the actions in paragraph 413 are taken.

402-409 (Reserved)

Section 2 Administrative Action**410 Determining Administrative Actions****A Types of Administrative Actions**

The following administrative actions are possible for loan and LDP violations:

- assessing liquidated damages
- accelerating the loan maturity date on loans
- calling the loan
- denying future certified LDP's
- denying future farm-stored loans
- requiring repayment of the entire LDP quantity
- requiring repayment of LDP quantity involved in the violation
- requiring repayment of loan quantity involved in the violation.

Producers who remove or dispose of any part or all of the commodity loan collateral without prior authorization or do **not** provide required production evidence:

- have violated the loan or LDP program
- are subject to assessment of liquidated damages or other administrative actions, as applicable.

Note: For unauthorized disposition of loan collateral or for flagrant cases of incorrect certification, see paragraph 413 **before** taking any additional administrative actions or making COC determinations.

B Good Faith Determinations

COC must determine whether a producer is considered to have acted in good faith if 1 or more of the following applies:

- there is evidence to support that the producer made every effort to comply with CCC-601 terms and conditions and CCC's security interest was protected
- violation was inadvertent, accidental, or unintentional according to STC-established guidelines (subparagraph 412 B)
- actions that resulted in a violation prevented the spoilage of the commodity or were necessary to protect CCC's security interest in the commodity.

410 Determining Administrative Actions (Continued)**B Good Faith Determinations (Continued)**

If the COC determines good faith, the COC minutes must include the basis for this determination including justification as to why the COC determined that the violation was inadvertent, accidental or unintentional.

The good faith determination does **not** negate the producer's responsibility to repay MAL and fulfill MAL terms and conditions.

If a producer can show he/she acted in good faith when the loan or LDP violation occurred, and the producer has had 2 or less loan or LDP violations in the previous 24 months, COC will demand:

- as applicable, repayment of:
 - loan principal and charges plus interest applicable to the loan quantity affected by the violation according to Part 7

Note: For violation repayments based on:

- incorrect certifications, see paragraph 714 A
 - unauthorized disposition or removal, see paragraph 416.
- LDP amount and charges plus interest applicable to the LDP quantity affected by the violation
- payment of liquidated damages assessed according to paragraph 412.

See subparagraph:

- 412 B for authority to waive liquidated damages
- 417 A for additional actions if amount due is **not** repaid within 30 calendar days of this demand.

Unless the producer appeals the determination and if the commodity is no longer in storage, the principal amount of the missing loan quantity plus interest must be moved to NRRS with receivables established according to current PS and FI procedure.

410 Determining Administrative Actions (Continued)**C Good Faith Not Determined or Multiple Violations Are Applicable**

If COC cannot determine the producer acted in good faith when the violation occurred, or if the producer has more than 2 loan or LDP violations in the previous 24 months, COC must:

- demand payment of liquidated damages assessed according to paragraph 412

Note: Only STC or DAFP has the authority to waive liquidated damages when lack of good faith is determined. See 7-CP for the monetary limits for the STC and DAFP.

- for loans:
 - accelerate the maturity date on the applicable loan involved in the violation
 - demand repayment of any market gain previously realized on the loan, plus interest according to subparagraph F

Note: If the producer repays the previously realized market gain, interest, and liquidated damages, then County Offices will **not** send the demand letter.

- for LDP's, demand repayment of entire LDP amount plus interest.

410 Determining Administrative Actions (Continued)**D Determining the Offense**

The number of violations during a 24-month period is used in determining the applicable offense.

Example: To be considered as a first offense, the producer **must not** have had any loan or LDP violations in the 24 months previous to the current violation.

Notes: If 1 or more loan or LDP violations are determined for the same producer during the same spot-check selection, and only if production evidence is provided for all loans or LDP's spot-checked, consider only 1 offense to have occurred.

A second offense may be determined if a shortage exists for any loan or LDP spot-checked when production evidence is submitted at a later date.

If the producer is a multi-county producer, County Offices will include violations that occurred in other counties when determining the number of violations that occurred within the 24-month period.

410 Determining Administrative Actions (Continued)

E Good Faith Demand Letter

If good faith is determined and the producer has been involved in 2 or less violations in the previous 24 months, use the following demand letter.

RE: **(Enter crop year, commodity, and loan/LDP number.)**

Dear _____:

The County FSA Committee (COC) has determined that you acted in good faith concerning the violation of the **(loan agreement/LDP application)** of which COC had previously notified you. Based on this determination, and because this is your **(first/second)** violation in the previous 24 months, receivables have been established and are now due for the quantity applicable to the violation **(enter as applicable:**

- **loan principal**
- **interest**
- **market gain**
- **LDP amount**
- **liquidated damages**
- **other charges).**

Applicable interest will continue to accrue from the date of this letter until these amounts are repaid. If these amounts are **not** repaid within 30 calendar days, the following actions will be taken **(enter as applicable):**

- **the maturity date will be accelerated on any quantity remaining on the loan not associated with the violation**
- **foreclosure proceedings will begin on any ineligible commodity.**

Receivables have been established:

- the receivables may be reported to other Federal agencies for offset from any amounts that may be due you
- late payment interest, based on the rate established by the Department of the Treasury, will be applied to your debt on a daily basis from the date the receivable is established until your debt is paid in full.

An additional 3 percent will be assessed on the unpaid balance of the debt retroactively from the date the receivable was established if payment in full is **not** made within 60 calendar days after the date the receivable was established.

(Include appeal options according to 1-APP.)

410 Determining Administrative Actions (Continued)

F No Good Faith Demand Letter

If good faith **cannot** be determined **or** the producer has more than 2 violations in the previous 24 months, use this demand letter.

RE: (Enter crop year, commodity, and loan/LDP number.)

Dear _____:

You were notified on (enter date of notification of violation) of the situation with respect to your (loan or LDP). Receivables have been established and the amount due has been recorded for offset from any FSA or CCC payment due you. **(Describe the situation, including the determinations made because of an appeal, reconsideration, or failure by the producer to take any action.**

Add paragraph in subparagraph:

- **G for nonrecourse farm-stored loans**
- **H for nonrecourse warehouse-stored loans**
- **I for recourse loans.)**

The following amounts have been transferred to receivables and are now due and payable (enter as applicable):

• outstanding loan principal	• interest	• previously realized market gain
• LDP amount	• liquidated damages	• other charges).

Applicable interest will continue to accrue from the date of this letter until these amounts are repaid. If the above amounts are **not** repaid within 30 calendar days of this letter foreclosure proceedings will begin on any ineligible commodity.

Receivables have been established:

- the receivable may be reported to other Federal Agencies for offset from any amounts that may be due you
- late payment interest, based on the rate established by the Department of the Treasury, will be applied to your debt on a daily basis from the date the receivable is established until your debt is paid in full.

An additional 3 percent will be assessed on the unpaid balance of the debt retroactively from the date the receivable is established if payment in full is **not** made within 60 calendar days after the date the receivable is established.

(Include appeal options according to 1-APP.)

410 Determining Administrative Actions (Continued)

G Nonrecourse Farm-Stored Loans

If the violation involves a nonrecourse farm-stored loan, use the following paragraph in the no good faith demand letter according to subparagraph F.

Based on this determination, the maturity date for your nonrecourse loan was accelerated to **(enter the 31st calendar day after the date of the notification letter)**.

Because the loan has matured and the debt has **not** been repaid, the collateral **not** involved in the violation **must** be delivered to CCC. Follow the delivery instructions enclosed on CCC-691, Commodity Delivery Notice. If the principal and charges plus interest applicable to the quantity on CCC-691 are **not** repaid or delivery of the loan quantity shown on CCC-691 is **not** completed on or before the 30th calendar day after the date of the expiration, or extended expiration date of CCC-691, the following will apply:

- foreclosure proceeding will begin
- the amount due will be recorded for offset from any FSA or CCC payment due you
- a receivable may be established on the collateral not involved in the violation.

H Nonrecourse Warehouse-Stored Loans

If the violation involves a nonrecourse warehouse-stored loan, use the following paragraph in the no good faith demand letter according to subparagraph F.

Based on this determination, the maturity date for your nonrecourse loan was accelerated to **(enter the 31st calendar day after the date of the notification letter)**.

Because the loan has matured and the debt has **not** been repaid, the loan collateral **not** involved in the violation has been forfeited to CCC.

Note: If the producer has appealed or requested reconsideration, notify the producer that if the principal and charges, plus interest applicable to the quantity **not** involved in the violation, is **not** repaid within 30 calendar days of this letter, the loan collateral will be forfeited to CCC.

410 Determining Administrative Actions (Continued)**I Recourse Loans**

If the violation involves a recourse loan, use the following paragraph in the no good faith demand letter according to subparagraph F.

Based on this determination, the maturity date for your recourse loan was accelerated to **(enter the 31st calendar day after the date of the notification letter)**.

Because the loan has matured and the debt has **not** been repaid, receivables have been established and foreclosure proceedings will begin on the loan collateral **not** involved in the violation. In addition, the amount of principal and charges, plus interest, is due and payable and has been recorded for offset from any FSA or CCC payment due you. If the amount due is **not** repaid within 30 calendar days of this letter, the collateral will be sold through the local sales process and the proceeds from the sale will be applied to the receivables established.

411 Accelerating the Loan Maturity Date**A CCC's Interest Not Protected**

COC's may, if CCC's interests are **not** or will **not** be protected, accelerate the loan maturity date on any or all of the producer's farm-stored loans.

412 Assessing Liquidated Damages

A Calculating Liquidated Damages

For loan and LDP violations, calculate liquidated damages by multiplying the quantity involved in the violation times 10 percent of the loan or LDP rate.

B Authority to Waive Liquidated Damages

[7 CFR 1421.109] COC's may grant relief by waiving **any or all** of the liquidated damages determined according to subparagraph A when COC determines good faith and **both** of the following apply:

- violation occurred inadvertently, accidentally, or unintentionally
- first or second offense.

STC's:

- must establish written guidelines for determining when a violation occurred inadvertently, accidentally, or unintentionally
- must ensure that COC's are following STC guidelines and making equitable determinations based on the merits and facts involved in the violation
- may grant relief on a case-by-case basis by waiving **any or all** of the liquidated damages for both good faith and lack of good faith determinations, as long as the dollar amount falls within their authority, according to 7-CP.

C Canceling Liquidated Damages

Liquidated damages **not** waived cannot be canceled.

413 Special Provisions for Unauthorized Disposition or Flagrant Incorrect Certification Cases

A COC Action

For each violation for unauthorized disposition or flagrant incorrect certification cases, COC will:

- submit a memorandum to SED summarizing the situation that includes **all** of the following:

- all actions COC has taken to date

Note: COC must notify producer of violation according to subparagraph 401 B. An appeal hearing may be held, but do **not** determine good faith or waive liquidated damages until notified by SED of OIG action. COC must notify producers of demand for payment according to subparagraph 410 F or G when notification is received from SED.

- copies of documents about the violation, as appropriate, including a **complete** copy of the loan file
- meet with producers if they appeal, but do **not** make a good faith determination or waive liquidated damages before receiving notification from the State Office indicating OIG action

Note: COC must assume good faith **cannot** be determined when notifying the producer.

- **not** make recommendation as to whether an investigation is warranted
- **not** acknowledge that an investigation may be conducted or provide any other information to anyone, including the producer, unless authorized by OIG.

413 Special Provisions for Unauthorized Disposition Cases (Continued)

B State Office Action

DOJ attorneys may provide prosecutive guidelines to OIG for SED's to use in determining cases to be referred to OIG for investigation. State Offices will follow this table.

IF DOJ prosecutive guidelines have...	THEN State Offices will...
been received	• determine whether the unauthorized disposition should be referred to OIG for investigation by reviewing: • DOJ prosecutive guidelines • COC's memorandum • refer unauthorized disposition cases that meet DOJ prosecutive guidelines to OIG for investigation • for cases not referred to OIG, notify COC to take appropriate administrative actions according to paragraph 410 • keep complete files on all cases evaluated, but not referred to OIG, in the State Office for future review by OIG.
not been received	refer all unauthorized disposition cases to OIG for investigation with the following: • a memorandum summarizing the unauthorized disposition, including all actions COC has taken to date • a copy of the complete County Office loan file. For cases referred to OIG, include a statement in the memorandum to OIG, as follows: “If no response is received by the State Office within 30 calendar days, SED will: • notify COC to take administrative actions, as applicable, according to paragraph 410 and 9-AO • assume no investigation will be conducted.”

413 Special Provisions for Unauthorized Disposition Cases (Continued)**C No Response From OIG**

Assume that OIG will **not** investigate the unauthorized disposition if OIG does **not** respond to the State Office within 30 calendar days.

SED will notify COC to take administrative actions, as applicable, according to paragraph 410 and 9-AO.

D Action When Investigation Is Scheduled

When OIG schedules an investigation:

- County Office must **not** take any administrative actions, **unless** OIG advises, in writing through the State Office, that actions can be taken without possible adverse effect on prosecution
- State Office must immediately advise County Office of OIG determination
- County Office must, through the State Office, coordinate any administrative actions with appropriate OIG regional office **before** initiating the actions.

414 Denying Future Farm-Stored Loans and LDP's

A COC's Interests Not Protected

[7 CFR 1421.109] COC's may, if CCC's interests are **not** or will **not** be protected, deny the following up to 24 months after the date the violation is discovered future:

- farm-stored loans
- LDP's requested without production evidence.

B Additional Denial Timespan

Depending on the violation severity, COC may deny farm-stored loans and LDP's without production evidence for an additional period designated by COC.

415 Waiving Administrative Actions**A COC Action**

COC may request STC waive any administrative action of loan or LDP violations that COC does **not** have the authority to waive.

For all requests for waivers, COC must submit copies of the complete case file to STC.

B STC Action

STC may request DAFP waive any administrative action according to 7-CP that STC does **not** have the authority to waive, if **all** of the following apply:

- the violation:
 - occurred inadvertently, accidentally, or unintentionally, or the producer acted to prevent spoilage of the commodity
 - did **not** result in harm or damage to the rights of any person or Government agency
- the complete case file is submitted, including the request by COC for the waiver.

416 Accepting Payments for Violations**A Accepting Payments From Producers**

For any violations, including violations referred to OIG, accept payments offered by the producer according to Part 7. County Offices must notify the producer that payment will **not**:

- release the producer from administrative or legal action
- relieve producer of additional administrative actions.

For any repayment received for the loan involved in a violation, either before or after being notified of a shortage or violation, insert the following statement on the CCC-500, payment receipt, in the “Remarks” section, **“The payment will not release you from administrative or legal action or from additional administrative actions.”**

B Unacceptable Payments

County Offices must **not**:

- accept repayments with restrictive endorsements.

Examples: “Final payment” or “Payment in full”.

- permit producers to repay loan quantity involved in violations at a repayment rate that is less than the principal and charges, plus interest, **except** as authorized in subparagraph C.

416 Accepting Payments for Violations (Continued)

C Repayment Rate for Unauthorized Disposition and Removal

Determine the repayment rate, according to this table, for quantities involved in unauthorized:

- removal
- disposition.

IF COC...		THEN the repayment rate is...
determines good faith according to subparagraph 410 B	and the producer has 2 or less violations	the lesser of: • principal and charges plus interest • CCC determined value on the date the violation occurred as determined by CCC plus 15 percent of the loan rate.
does not determine good faith according to subparagraph 410 C	or the producer has more than 2 violations	principal and charges plus interest.

D Repayment for Incorrect Certification

Any incorrect certification of loan or LDP quantity must be repaid at principal plus interest.

417 Actions for Violations

A Additional Action for Violations

County Offices will establish receivables in NRRS for any quantity under loan that is no longer in storage:

- after producer has been notified of the shortage and COC determined a violation
- according to current PS and/or FI instructions applicable to loans
- after OIG notification that either:
 - they will not be investigating
 - receivables can be established.

Receivables need to be established according to current PS and FI instructions, for:

- loan principal involved in the violation, plus accrued interest
- entire LDP amount, plus interest
- all market gain realized on the loan, plus interest
- amount of liquidated damages, if applicable
- loan amount, plus accrued interest applicable to any ineligible commodity.

In addition, for loans:

- issue CCC-691 for outstanding nonrecourse farm-stored loan quantity, **excluding** any ineligible quantity or quantity involved in the violation
- begin foreclosure or local sale proceedings on recourse loan or ineligible quantity
- forfeit any remaining warehouse receipts on a warehouse-stored nonrecourse loan
- offset amount due from future FSA or CCC payments.

418-499 (Reserved)

Part 5 Loanmaking Provisions**Section 1 Basic Loanmaking****500 Obtaining Loans****A Loan Availability**

[7 CFR 1421.100] Eligible producers may obtain loans by placing the eligible commodity in:

- approved farm storage structure and obtaining a loan, on the quantity determined according to paragraph 528, using either of the following options:
 - CCC-666 for a certified farm-stored loan request
 - CCC-666 and FSA-409 for a measured farm-stored loan request

Note: CCC-677-1 **must** also be completed when measurement service is requested.

- CCC approved or authorized warehouse storage, applicable to the specific commodity, and obtaining a loan on 100 percent of the net quantity shown on the warehouse receipt.

Notes: CCC-666 **must** also be completed for warehouse-stored loan requests for all commodities, **except** peanuts and cotton.

For peanut MAL's, the State Office may require CCC-666 be completed for peanut loan requests in the State.

Eligible producers may obtain LDP's instead of loans. See Part 10 for LDP provisions.

B Producers in Bankruptcy

For producers involved in bankruptcy proceedings, see paragraph 22.

500 Obtaining Loans (Continued)**C CMA's Obtaining Loans**

CMA's may:

- obtain farm-stored loans on commodities that are stored on the member's farm in approved storage structures, if other eligibility requirements are met, such as beneficial interest
- obtain warehouse-stored loans on commodities stored in approved warehouses, according to paragraph 541
- request separate loans for commodities determined eligible for nonrecourse or recourse loans
- **not** obtain loans on quantities on which members:
 - obtain individual LDP's
 - place under individual loans and eventually deliver to CMA, unless the producer repays the loan at principal and plus interest **before** delivery to CMA.

CMA's must request loans at a CMA service County Office identified in 1-CMA.

501 Requesting Loans

A Where Producers Request Loans

[7 CFR 1421.104] Producers must request loans through the County Office that maintains the farm program records.

If the producer farms in more than 1 county, the County Office requested by the producer will:

- accept requests and process loans
- contact other County Offices when the request covers eligible production from more than 1 farm and the farm program records for those farms are administered in other County Offices
- complete CCC-770 MAL **before** approving the loan disbursement, **if applicable** (paragraph 23).

If there is a possibility of a market loan gain repayment on a loan, producers may want to consider requesting separate loans on commodities stored in counties or States with different loan rates. This is because for a market loan gain lock-in, the oldest CCC-697 is required to be used first.

Notes: See subparagraph D for an example of processing loan applications.

Any County Office can accept LDP and MAL applications, but the receiving County Office **must** route the application to the County Office that maintains the producer's farm records for approval and disbursement.

Only DAFP can authorize an LDP or MAL to be disbursed in a County Office where the producer has no farming interests.

501 Requesting Loans (Continued)**B When to Request Loans**

Requests for loans:

- may be received by mail, FAX, email, telephone, or filed in person

Note: Farm-stored loan requests can be electronically transmitted to the County Office account only where the producer has requested to receive his loans according to subparagraph A, if the applicable producer has electronic access credentials through eAuthentication, and submits the request on a completed CCC-666. Electronically transmitted loan requests are processed in CLPS in the normal manner.

- are documented on CCC-666 for both farm-stored and warehouse-stored loan requests according to paragraph 524 instructions

Note: When submitting a request for a farm stored loan, the following items on the CCC-666 must be completed by the producer for the request to be considered a valid request:

- producer's name and address
- storage location of the commodity
- crop year and eligible commodity
- lienholders
- farm numbers where produced
- identification of each structure such as; "North steel bin"
- measurements of each structure which must support loan quantity requested
- total loan quantity requested in each structure
- delinquent debt question answered
- producer's signature and date
- other producers sharing in the commodity, if requesting a joint loan.

501 Requesting Loans (Continued)**B When to Request Loans (Continued)**

- must be requested no later than the final loan availability date according to subparagraph 226 C

Note: When the final loan availability date falls on a nonworkday, the final date will be extended to the next workday.

- must be requested **before** beneficial interest is considered lost (paragraph 227)
- is complete when CCC-666 for farm-stored loan requests is signed by producer, approved by CCC
- all required eligibility or other supporting documents are received by final loan availability and prior to loan determination
- can be canceled or revised **before** the loan is disbursed
- must be processed and disbursed through CLPS as soon as possible according to the applicable commodity handbook
- will be handled according to the Prompt Payment Act requirements in paragraph 33 and 61-FI.

Note: County Offices must **not** honor requests from producers to delay disbursements on completed applications.

501 Requesting Loans (Continued)

C Joint Loans

Loans may be disbursed jointly if the commodity is either of the following:

- jointly owned
- stored in the same storage structure.

Note: Each producer signing CCC-677 or CCC-678 is jointly and severally liable for repayment of the amount due.

D Loan Benefits Denial Notification

When the producer is denied loan benefits, County Offices must:

- immediately notify the producer in writing
- use the letter in Exhibit 5, subparagraph L and include the following:
 - reasons for denying the loan
 - right to appeal COC's decision according to 1-APP
 - availability of warehouse-stored loan or recourse loan, as applicable.

501 Requesting Loans (Continued)

E Suggested Loan Processing Table

The following is an example guide that may be used when processing loan applications and completing loan approvals and disbursements. Use is optional.

Step	Action
1	Accept loan request by phone, in person or by FAX. • Ensure that: • application, CCC-666, CCC-677-1, or FSA-409 is complete and signed by producer for farm-stored loan requests • FSA-211 is on file, if applicable. • County Office may find it helpful to have the producer mark on a map or plat book page of a township the exact location of the storage structures for farm-stored loan requests. • Check to see if producer has a signed CCC-10 on file in the office. If not on file or incorrect, producers must complete and sign CCC-10.
2	The following is needed for security documentation: • UCC-1 on file for farm-stored loan requests and will not expire for the entire loan period; individual States may set policy on when to require a new UCC-1 • lien search, as determined by the individual State • obtain CCC-679's on all parties with a security interest in the producer's crop, as determined by the lien search, or notified by a lienholder. Note: If necessary, obtain copies of non-standard filings, as determined by individual States, to determine if CCC-679 is needed.

501 Requesting Loans (Continued)

E Suggested Loan Processing Table (Continued)

Step	Action
3	For all producers on CCC-666, check to make sure that a Customer Profile for the producer has been established. Note: FSA-578 must be filed to populate the Customer's Profile. The following producer eligibility items are checked at disbursement through CLPS: • AD-1026 completed by producer and all affiliated persons and in compliance • CCC-902E or CCC-902I completed according to 6-PL for foreign person determination • CCC-941 from producer and all interest holders in a legal entity according to 6-PL Note: AGI compliance is not required for MAL disbursement but is required for market loan gain repayments and LDP's. County Offices are encouraged to have CCC-941 completed, if CCC-941 becomes applicable. This form must be completed prior to final LDP availability. • compliance with: • DCIA • fraud provisions • controlled substance provisions.

501 Requesting Loans (Continued)

E Suggested Loan Processing Table (Continued)

Step	Action
4	A second party review of the CCC-666 and in CLPS, according to paragraph 234, must review and check: • loan calculations for: • certified loans • measured loans • warehouse loans • loan rate to ensure the correct loan rate was used for the State and county where stored, according to subparagraph 505 A. Note: In addition, the review of the CCC-666 must ensure that it is all completed. Ensure that FSA-409, Part B is complete, if applicable.
5	Quantity eligibility according to paragraph 230. Note: CLPS uses the reasonable quantity record from RQMS which pulls farm numbers and acres where the producer has a share from the FSA-578.
6	If applicable, ensure that CCC-665 is completed and on file before disbursing loans for commingled quantities.
7	Process the loan requests in CLPS according to 16-PS. If all required information is on file and producer is in the office to sign CCC-677 or CCC-678 then the loan can be completed in CLPS.

502 Completing CCC-10's**A Applicability**

Producers applying for CCC or FSA loans at USDA Service Centers are required to provide specific information on CCC-10. CCC-10:

- serves as CCC's or FSA's notice of intent to perfect its security interest
- identifies an individual's name applicable to the laws in the specific State

Notes: The standards for an individual name will be specified by the State. If the 2010 amendments to UCC Article 9 have:

- been adopted, State Offices must contact their regional attorney for the standard adopted in their State
 - **not** been adopted, the regional attorney will provide guidance on the specific naming standards to follow for an individual.
- identifies for an entity, the type and location of the entity
 - identifies the jurisdiction in which CCC will perform lien searches according to State law and advice of the regional attorney
 - authorizes CCC or FSA to file financing statements before executing a security agreement
 - is applicable to warehouse loans to identify the jurisdiction in which to perform lien searches.

502 Completing CCC-10's (Continued)

B Obtaining Authorization

County Offices must obtain CCC-10 and signatures as follows:

- if CCC-10 is **not** already filed, obtain a signed CCC-10

Note: If the County Office has a signed CCC-10 on file, a new CCC-10 is **not** required, even if a new form revision has been issued.

- ensure that producers understand that:
 - applicable collateral for loans is **not** described on CCC-10
 - CCC-10 remains in effect until the producer notifies CCC or FSA of any changes by filling out a new CCC-10 or State laws change requiring a new CCC-10
- **Example:** Naming standards for filing security documents in a particular State change.
- for UCC-1's filed manually that require the debtor's signature, CCC requires CCC-10 to identify the jurisdiction in which to perform lien searches
- for:
 - corporations, limited partnerships, and limited liability corporations, the person authorized to sign for the entity is **required** to sign according to 1-CM
 - estates, the executor is **required** to sign according to 1-CM
 - general partnerships and joint ventures, all partners signatures are **required, unless** an individual is authorized to act on behalf of the general partnership that binds all members according to 1-CM
 - trusts, the trustee or trustees are **required** to sign according to 1-CM
- allow spouses to sign CCC-10 for each other **only** as allowed according to 1-CM
- gather data and signatures about spouses where spousal information is required by State law according to the regional attorney
- if applicable, provide a copy of CCC-10 to other County Offices in which the producer is active.

File CCC-10's in alphabetical order in folders labeled, "PSLF-3-d-2."

502 Completing CCC-10's (Continued)

C CCC-10 Availability

CCC-10 is available for download by FSA employees from the FSA Intranet at <http://intranet.fsa.usda.gov/dam/ffasforms/forms.html>, CLICK “**Find Current Forms Using Our Form Number Search**”.

502 Completing CCC-10's (Continued)

D Instructions for Preparing CCC-10's

County Offices will prepare CCC-10 according to the following.

Item	Instructions
Part B – Representation of Undersigned Ensure that the producer understands the statements in part A.	
1	CHECK (✓) box for: - individual, if the producer conducts a farming operation as an individual - organization or entity, if the producer conducts a farming operation as an organization or entity.
2	If box in item 1 is checked for: - individual, enter the complete applicable SSN or TIN - organization or entity, enter the complete applicable TIN.
3	If box in item 1 is checked for: - individual, enter the naming standard according to State law, or if the 2010 amendments to UCC Article 9 have not been adopted, the naming standard to use according to the regional attorney - organization or entity, enter the full legal name of the organization or entity as filed with the State and provided on the organization charter or legal documents establishing the entity. Note: This is the name that will be used on UCC forms.
4	If box 1 is checked for individual, enter the naming standard according to State law, or if the 2010 amendments to UCC Article 9 have not been adopted, the naming standard according to the regional attorney, for spouse. Notes: This is the name that will be used on UCC forms for additional debtors. If spouse has an interest in the commodity, the spouse must complete a separate CCC-10.

502 Completing CCC-10's (Continued)

D Instructions for Preparing CCC-10's (Continued)

Item	Instructions
5	If box in item 1 is checked for individual, enter the name of the State and county of producer's primary residence. Unless otherwise advised by OGC, this is where to file UCC-1's and perform lien searches.
6	If box in item 1 is checked for organization or entity, enter the type of organization or entity. Acceptable types are corporations, general or limited partnerships, limited liability companies, and trusts. An informal joint operation or venture is not a legal entity. Note: Members of informal joint operations or ventures are treated as individuals and must complete individual CCC-10's.
7	If organization or entity is registered, it must be organized under the law of a single State and must be displayed in a State public record as being organized. If the organization or entity is registered, enter the State in which the organization or entity was created and is registered. Unless otherwise advised by OGC, this is where to file UCC-1's and to perform lien searches.
8	If organization or entity is not registered, enter the State where the place of business is located or where the organization or entity conducts its affairs. Unless otherwise advised by OGC, this is where to file UCC-1's and to perform lien searches.

502 Completing CCC-10's (Continued)

D Instructions for Preparing CCC-10's (Continued)

Item	Instructions
Part C - Authorization To File	
9	Ensure that the producer understands the statement in item 9. Note: Authorization to sign for another individual, organization, or entity must be on file in the FSA office for the signature to be valid.
10A - 10F	If item 1, "individual" was checked (ü), the individual identified in item 3 must sign their name as entered in item 3 and, if applicable, a suffix, in item 10A. An individual signing in a representative capacity must also sign their name in item 10A, followed by their title/relationship in item 10B. The date of signature will be entered in item 10C. The individual identified in item 4 must sign their name as entered in item 4, and if applicable, a suffix in item 10D. An individual signing in a representative capacity must also sign their name in item 10D, followed by their title/relationship in item 10E. The date of signature will be entered in item 10F.
11A - 11F	If item 1, "organization or entity" was checked (ü), enter the legal name of the organization or entity in item 11A. The individual authorized to sign for the organization or entity must also sign their name in item 11A, and include their title/relationship in item 11B. The date of signature will be entered in item 11C. Example: Item 11A, Hobbitt Farms, John H. Smith Item 11B, Partner" If an additional signature is required for an organization or entity, that additional individual must sign in item 11D. Their title/relationship must be entered in item 11E, and the date in item 11F.

502 Completing CCC-10's (Continued)

E Example of CCC-10

The following is an example of a completed CCC-10.

OMB Control No. 0560-0215 OMB Expiration Date: 08/31/2024													
CCC-10 (08-23-21)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation Farm Service Agency												
REPRESENTATIONS FOR COMMODITY CREDIT CORPORATION OR FARM SERVICE AGENCY LOANS AND AUTHORIZATION TO FILE A FINANCING STATEMENT AND RELATED DOCUMENTS													
NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a - as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), the Agricultural Act of 2014 (7 U.S.C. 9031 et seq.), 7 CFR Part 761, and 7 CFR Part 1436. The information will be used to determine eligibility to participate in and receive benefits under a CCC or FSA loan program through documentation of producer acknowledgement of, and agreement to, the terms and conditions of CCC's or FSA's notice of intent to protect its security interest, identification of debtor or entity, and authorization for CCC or FSA to file financing statements before executing a security agreement. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under a CCC or FSA loan program. Public Burden Statement (Paperwork Reduction Act): According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0215. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.													
PART A INTRODUCTION The undersigned is an applicant for a loan from the Commodity Credit Corporation (CCC) or the Farm Service Agency (FSA), or is currently indebted to CCC or FSA on account of loans previously made or will encumber, pledge or mortgage property to CCC or FSA to secure payment of a loan made or to be made by CCC or FSA. The undersigned understands that CCC or FSA will take or has taken a security interest in collateral to secure the payment of any loan made or to be made, that CCC or FSA will file or has filed a financing statement or an amended financing statement to perfect its security interest in such collateral, that the information provided in this instrument will affect the contents of the financing statement or any amended financing statement and where it will be filed and that CCC or FSA will rely upon this information provided by the undersigned. For warehouse-stored CCC marketing assistance loans, I understand that a financing statement will not be filed but this form is necessary to establish the jurisdiction in which a lien search will be conducted. Further, the undersigned understands that CCC or FSA will continue to use this information for any future loans to be made to the undersigned until the undersigned notifies CCC or FSA of any changes. The undersigned agrees to immediately notify CCC or FSA of any changes in this information.													
PART B REPRESENTATION OF UNDERSIGNED <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top; padding: 2px;"> 1. Type of Undersigned: ☐ Individual ☐ Organization or Entity </td> <td style="width: 50%; vertical-align: top; padding: 2px;"> 2. Tax Identification Number (9 Digits) </td> </tr> <tr> <td style="vertical-align: top; padding: 2px;"> 3. Undersigned's Full Legal Name </td> <td style="vertical-align: top; padding: 2px;"> 4. Spouse's Full Legal Name </td> </tr> <tr> <td style="vertical-align: top; padding: 2px;"> 5. State and County of Primary Residence if Undersigned is an Individual </td> <td style="vertical-align: top; padding: 2px;"> 6. If Undersigned is an Organization or Entity, Specify the Type of Organization or Entity </td> </tr> <tr> <td colspan="2" style="vertical-align: top; padding: 2px;"> 7. If undersigned's organization or entity is a registered organization or entity, specify the state in which the organization or entity was created. </td> </tr> <tr> <td colspan="2" style="vertical-align: top; padding: 2px;"> 8. If undersigned's organization is a non-registered organization or entity, specify the state where the place of business is located or where the organization or entity conducts its affairs. </td> </tr> </table>		1. Type of Undersigned: ☐ Individual ☐ Organization or Entity	2. Tax Identification Number (9 Digits)	3. Undersigned's Full Legal Name	4. Spouse's Full Legal Name	5. State and County of Primary Residence if Undersigned is an Individual	6. If Undersigned is an Organization or Entity, Specify the Type of Organization or Entity	7. If undersigned's organization or entity is a registered organization or entity, specify the state in which the organization or entity was created.		8. If undersigned's organization is a non-registered organization or entity, specify the state where the place of business is located or where the organization or entity conducts its affairs.			
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8. If undersigned's organization is a non-registered organization or entity, specify the state where the place of business is located or where the organization or entity conducts its affairs.													
PART C AUTHORIZATION TO FILE 9. The undersigned authorizes CCC or FSA to file a financing statement under the name of the undersigned for collateral to be described in the financing statement and security agreement at any time following the date that this instrument is signed. By signing below, I give CCC or FSA permission to file a financing statement prior to the execution of the security agreement, as well as to file amendments and continuations of the financing statement thereafter. <i>I authorize CCC to enter on the financing statement a broader description of the collateral used to secure a CCC marketing assistance loan than the description on the applicable security agreement.</i> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; vertical-align: top; padding: 2px;"> 10A. Signature of Individual in Item 3 (By) </td> <td style="width: 33%; vertical-align: top; padding: 2px;"> 10B. Title/Relationship of the Individual Signing in the Representative Capacity </td> <td style="width: 33%; vertical-align: top; padding: 2px;"> 10C. Date (MM-DD-YYYY) </td> </tr> <tr> <td style="vertical-align: top; padding: 2px;"> 10D. Signature of Individual in Item 4 (By) </td> <td style="vertical-align: top; padding: 2px;"> 10E. Title/Relationship of the Individual Signing in the Representative Capacity </td> <td style="vertical-align: top; padding: 2px;"> 10F. Date (MM-DD-YYYY) </td> </tr> <tr> <td style="vertical-align: top; padding: 2px;"> 11A. Signature for Organization or Entity in Item 3 (By) </td> <td style="vertical-align: top; padding: 2px;"> 11B. Title/Relationship of the Individual Signing in the Representative Capacity </td> <td style="vertical-align: top; padding: 2px;"> 11C. Date (MM-DD-YYYY) </td> </tr> <tr> <td style="vertical-align: top; padding: 2px;"> 11D. Signature for Organization or Entity in Item 3 (By) </td> <td style="vertical-align: top; padding: 2px;"> 11E. Title/Relationship of the Individual Signing in the Representative Capacity </td> <td style="vertical-align: top; padding: 2px;"> 11F. Date (MM-DD-YYYY) </td> </tr> </table>		10A. Signature of Individual in Item 3 (By)	10B. Title/Relationship of the Individual Signing in the Representative Capacity	10C. Date (MM-DD-YYYY)	10D. Signature of Individual in Item 4 (By)	10E. Title/Relationship of the Individual Signing in the Representative Capacity	10F. Date (MM-DD-YYYY)	11A. Signature for Organization or Entity in Item 3 (By)	11B. Title/Relationship of the Individual Signing in the Representative Capacity	11C. Date (MM-DD-YYYY)	11D. Signature for Organization or Entity in Item 3 (By)	11E. Title/Relationship of the Individual Signing in the Representative Capacity	11F. Date (MM-DD-YYYY)
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In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.													

503 Lien Searches

A General Information

[7 CFR 1421.104] Lien searches must be performed in the appropriate recording official's office according to State law for:

- **all** loan requests that meet the criteria in subparagraph B, **except** loans made to CMA's, DMA's, and LSA's, according to subparagraph D
- warehouse-stored collateral transferred to farm storage.

Notes: If the producer requests both a corn and soybean loan on the same day, one lien search will satisfy the lien search requirement.

Lien searches are **not** required for Federal and State tax liens or judgments; however, if the office is notified of either, then a search for Federal and State tax liens is **required**. A Federal Tax lien listed on a lien search is considered notification, and CCC-679 is required.

For multi-county producers, the loanmaking County Office must perform or obtain lien searches at the appropriate location according to State law.

Contact the regional attorney, through the State Office:

- when assistance or advice is needed
- for assistance when any of the following conditions apply:
 - producer has farming operations in more than 1 State
 - commodity is stored in another State
 - commodity is moved to another State during the loan period.

When requesting lien searches, States and counties must follow specific search instructions from their appropriate State recording official to ensure that all liens on the requested producer are listed.

State Offices must provide State amendments or a State directive specific to their State according to subparagraph 3 D with detailed instructions for conducting lien searches within the State.

503 Lien Searches (Continued)

B Criteria for Performing Lien Searches and File UCC-1's

County Offices must perform lien searches and file UCC-1's according to the following.

Loan Amount / Loan Type	Perform Lien Searches		UCC-1 or Applicable Financing Statement	
	Yes	No	Yes	No
< \$50,000				
Farm-Stored		X	X	
Warehouse-Stored		X		X
= or > \$50,000				
Farm-Stored	X		X	
Warehouse-Stored	X			X
Note: If performing lien searches is a free service provided through the State, lien searches may be performed on all loans regardless of the dollar amount.				

CLPS requires a lien search date be entered.

County Offices must perform lien searches and protect the security interest, regardless of the dollar amount if **any** of the following applies:

- producer is, at the time of the loan request, either of the following:
 - involved in a bankruptcy
 - under investigation by OIG
- producer committed a MAL/LDP violation in the current or preceding crop year
- CCC is notified by the producer, lending institution, or lienholder that a lien exists on the commodity
- aggregate loan principal for the crop year will equal or exceed \$50,000
- STC required additional search actions.

Note: County Offices must file applicable UCC-1's required by State law for all farm stored loan requests, to protect CCC's security interest according to paragraph 521, regardless of MAL principal.

503 Lien Searches (Continued)**C Recording UCC-1's for Chattel Mortgage Filing Date in CLPS**

CLPS was enhanced to **not** require filing dates of UCC-1's for loans less than \$50,000, however UCC-1's are required to be filed for all farm stored loans. County Offices are instructed to enter the date UCC-1 was filed in the "UCC-1 or Chattel Mortgage Filing Date" field for **all** loans.

D When to Perform Lien Searches

Lien searches must be performed **after** the loan request is filed and **before** the loan is approved and disbursed

Do **not** perform the lien searches **before** requests are filed.

Advise producers that loans **cannot** be disbursed until lien searches are completed and necessary CCC-679's are obtained according to paragraph 504.

E Action After Lien Searches Are Performed

When lien searches are completed, County Offices must:

- print lien search results, if obtained by email or online
- file hard copy of lien search results in applicable loan folders.

Before loan disbursement, **require** producers to provide CCC-679's according to paragraph 504, for each lienholder discovered on lien search.

Note: State Offices may request written authorization from PSD to record lien search results on FSA-2360, if it is **not** possible to print the results. If written authorization is granted, directions will be given on how lien search results are to be recorded.

F CMA, DMA, and LSA Responsibilities

CMA's, DMA's, and LSA's must be reminded of their responsibility to pledge eligible commodities for CCC loan free of any liens based on their respective financial agreement.

If CMA, DMA, or LSA has pledged the commodity offered or to be offered for loan to obtain a line of credit, CMA, DMA, or LSA must provide CCC-679 that is:

- completed according to subparagraph 504 D
- signed by the applicable lending institution.

503 Lien Searches (Continued)**G Paying Lien Search Fees**

Issue payment using the online payment web-based application for the lien search fees, according to 1-FI, Exhibit 18.

H Lien Search and Filing Fees Paid by Producers

To decrease the lag time between a loan request and loan disbursement, producers may pay for lien search and filing fees with a negotiable document made out to the applicable recording office using checks, cashier's checks, or money orders.

The producer is responsible for any charges resulting from insufficient funds for returned checks. If payment is made by cashier's check or money order, the producer is responsible for the applicable service fees. Producer-paid charges must **not** be deducted from the loan proceeds.

Note: County Offices must advise producers that paying the lien search and filing fees may decrease the lag time between a loan request and loan disbursement, but does **not** guarantee faster fund disbursement.

County Offices must continue to process UCC-1's in the normal manner and attach the producer's check to UCC-1 when submitting UCC-1 for filing.

504 CCC-679's

A Obtaining CCC-679's

CCC-679's must be obtained by the producer or CMA, DMA, or LSA, as follows:

- **before** loan disbursement
- if liens or encumbrances are recorded, include CCC-679's from FSA FLP representatives
- even if the liens or encumbrances will be satisfied from the loan proceeds
- if **actual** notice is received from a lienholder
- for IRS Federal tax liens, if the producer certifies that the lien exists.

CCC-679's are **not** required for unrecorded liens **unless** the County Office has received actual notice of a lien from the lienholder.

Note: Notice of Levy received from IRS is considered evidence of a lien; therefore, CCC-679 **must** be sent to IRS.

CCC-679 must be obtained from CMA, DMA, or LSA, according to 1-CMA, when CMA, DMA, or LSA informs the County Office that a lien is present.

Note: Lienholder may sign CCC-679 and FAX to the County Office.

CCC-679's can be submitted by producers or CMA's, DMA's, and LSA's at the beginning of a crop year. After CCC-679 is obtained for the first loan made for a specific crop year, the same CCC-679 may be used for all subsequent loans made for the specific crop, if CCC-679. However, a lien search must be performed for **all** loan requests according to paragraph 503.

County Offices:

- must complete the lien search according to this paragraph
- under **no** circumstances, initiate the loan disbursement process without producers providing applicable CCC-679's.

Note: Producers are responsible to provide completed CCC-679's before loan disbursements.

--See paragraph 511 about obtaining lien waivers from SBA.--

504 CCC-679's (Continued)

B Completing CCC-679's for Producers

County Offices will complete:

- CCC-679 according to this table
- item 5, block (c), if applicable, according to subparagraph C.

Item	Instructions
1 A - C	Enter county name, address, telephone, and FAX. Notes: More than 1 County Office can be listed in item 1A. If producer farms in more than 1 county, a county with a signed CCC-679 may, if requested, FAX CCC-679 to the other County Office to use, if the crop year and commodities listed in items 3 and 4 are correct. It is not necessary for the other County Office to obtain another CCC-679 from the lienholder if the crop year and commodities are correct.
2	Enter producer name and address. If lienholder has UCC-1 filed for both the borrower and spouse, enter both names.
3	Enter crop year.
4	Enter commodity. More than 1 commodity may be listed. Enter each commodity. Example: Enter, " Corn, Soybeans, Wheat " or " All ".
5	Lienholder must indicate how the monetary proceeds are to be distributed by entering a check (ü) in 1 of the boxes provided. See subparagraph C to complete item 5, block (c).
6	Enter lienholder's or authorized agent's name and address.
7 A - C	Lienholder identified in item 6 must sign and date CCC-679.

Notes: Signed and dated CCC-679 may be faxed to the applicable County Office.

For producers who farm in more than 1 county, signed and dated CCC-679 may be email or FAXed to the other County Offices.

504 CCC-679's (Continued)

B Completing CCC-679's for Producers (Continued)

The following is an example of CCC-679 for producers.

This form is available electronically. CCC-679 U.S. DEPARTMENT OF AGRICULTURE (09-05-19) Commodity Credit Corporation LIEN WAIVER			1A. County Name and Address (Including Zip Code) Any County FSA Office 900 Any RD Town, ST 99999-9999
			1B. County Office Telephone Number (Including Area Code) 999-999-9999
			1C. County Fax Number (Including Area Code) 999-999-9999
2. Name and Address of Producer (Including Zip Code) Able Farmer 9999 Any RD Town, ST 99999-9999	3. Crop Year 2010	4. Commodity Wheat	
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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334), 7 CFR Part 1421, 7 CFR Part 1425, 7 CFR Part 1427 and 7 CFR Part 1436. The information will be used to determine eligibility to participate in and receive benefits under a Commodity Credit Corporation (CCC) loan program by documenting that a lien waiver has been authorized by the current lienholder for purposes of pledging the commodity to CCC for a loan. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under a CCC loan program. Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.			
5. The undersigned is the holder of a lien on the commodity identified above. In order for the producer identified above to pledge such commodity as collateral for a Commodity Credit Corporation ("CCC") loan, with respect to CCC only, the undersigned waives all interest in, and title to, such commodity. The undersigned agrees that the proceeds of the loan shall be disbursed (<i>lienholder must check one of the following</i>): (a) ☒ To the producer. (b) ☐ Jointly to the producer and the undersigned lienholder. (c) ☐ Jointly to the producer and the undersigned lienholder, less (1) \$ _____ administrative offset as of (2) _____ and charges due (3) _____. (Date (MM-DD-YYYY))			
6. Name and Address of Lienholder or Authorized Agent Farmer Credit 100 Any RD Town, ST 99999-9999			
7A. Lienholder Signature (By) <i>/s/ I.M. Baker</i>	7B. Title/Relationship (of the Individual Signing in the Representative Capacity) Vice President	7C. Date (MM-DD-YYYY) 10-10-20XX	
7. Lienholder Signature (By)	7B. Title/Relationship (of the Individual Signing in the Representative Capacity)	7C. Date (MM-DD-YYYY)	
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.asc.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.			

504 CCC-679's (Continued)

C Completing CCC-679, Item 5, Block (c)

Complete CCC-679, item 5, block (c) according to this table.

IF...	AND...	THEN...
administrative offset does not apply		on CCC-679, item 5, block (c), value line, ENTER " none ".
administrative offset does apply		on CCC-679, item 5, block (c), value line, enter the offset amount as of the date CCC-679 is prepared.
	the lienholder is any of the following: • CCC • FSA • USDA	• on CCC-679, item 5, block (c), value line, enter the offset amount as of the date CCC-679 is prepared • calculate the estimated net disbursement amount as follows: • multiply applicable county loan rate for the commodity times the quantity for loan • deduct assessments, fees, and administrative offsets, as applicable.
statement of charges signed by the producer, according to paragraph 550, accompanies the receipt Note: Written DAFP authorization is required for any offsets for commodities, other than peanut charges, according to paragraph 550.		do either of the following: • add the total dollar amount of the charges to any other offset amounts • modify the statement to add language stating whose charges are being offset without specifying the type or amount of the charges.

504 CCC-679's (Continued)

D Completing CCC-679 for CMA's

Complete CCC-679 for CMA's according to subparagraph 504 D and this table.

Item	Instructions
1 A - C	Enter county name, address, telephone and FAX.
2	Enter CMA's name and address.
3	Enter crop year of the commodity.
4	Enter name of the commodity. More than 1 commodity may be listed. Enter each commodity. Example: Enter, " Corn, Soybeans, Wheat ".
5	Lienholder must indicate how the monetary proceeds are to be distributed by entering a check (✓) in 1 of the boxes provided. See subparagraph C to complete item 5, block (c).
6	Enter lienholder's or authorized agent's name and address.
7 A - C	Lienholder identified in item 6 must sign and date CCC-679. Exception: If the lienholder is CCC, a signature is not required.

504 CCC-679's (Continued)

D Completing CCC-679 for CMA's (Continued)

The following is an example of CCC-679 for CMA's.

This form is available electronically. CCC-679 U.S. DEPARTMENT OF AGRICULTURE (09-05-19) Commodity Credit Corporation LIEN WAIVER			1A. County Name and Address (Including Zip Code) Any County FSA Office 900 Any RD Town, ST 99999-9999
			1B. County Office Telephone Number (Including Area Code) 999-999-9999
			1C. County Fax Number (Including Area Code) 999-999-9999
2. Name and Address of Producer (Including Zip Code) Harvest Cooperative P.O. Box 999 Town, ST 99999-9999	3. Crop Year 2010	4. Commodity All Wheat, All Corn, All Soybeans	
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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334), 7 CFR Part 1421, 7 CFR Part 1425, 7 CFR Part 1427 and 7 CFR Part 1436. The information will be used to determine eligibility to participate in and receive benefits under a Commodity Credit Corporation (CCC) loan program by documenting that a lien waiver has been authorized by the current lienholder for purposes of pledging the commodity to CCC for a loan. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under a CCC loan program. Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.			
5. The undersigned is the holder of a lien on the commodity identified above. In order for the producer identified above to pledge such commodity as collateral for a Commodity Credit Corporation ("CCC") loan, with respect to CCC only, the undersigned waives all interest in, and title to, such commodity. The undersigned agrees that the proceeds of the loan shall be disbursed (lienholder must check one of the following): (a) ☒ To the producer. (b) ☐ Jointly to the producer and the undersigned lienholder. (c) ☐ Jointly to the producer and the undersigned lienholder, less (1) \$ _____ administrative offset as of (2) _____ and charges due (3) _____ (Date (MM-DD-YYYY))			
6. Name and Address of Lienholder or Authorized Agent Farmer Credit 100 Any RD Town, ST 99999-9999			
7A. Lienholder Signature (By) Is/ I.M. Banker	7B. Title/Relationship (of the Individual Signing in the Representative Capacity) Vice President	7C. Date (MM-DD-YYYY) 10-10-20XX	
7. Lienholder Signature (By)	7B. Title/Relationship (of the Individual Signing in the Representative Capacity)	7C. Date (MM-DD-YYYY)	
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.			

504 CCC-679's (Continued)

E Distributing CCC-679's

Distribute CCC-679 as follows:

- file County Office copy in the producer's or CMA's loan folder
- provide copy to producer or CMA, as applicable
- provide copy to lienholder.

F Completed CCC-679's Returned to County Offices

When CCC-679 has been completed and signed by the lienholder and is returned to the County Office, the County Office must, **before** disbursing the loan, ensure that the lienholder has:

- checked item 5, appropriate block (a), (b), or (c)
- signed and dated item 7.

Signatures **must** be affixed personally by all lienholders or authorized agents. The County Office may verify the lienholder's signature, if necessary.

Follow this table for guidance when preparing loan disbursement.

IF...	THEN, if the lienholder has checked item 5, block...
an administrative offset is: • required for FSA, CCC, or other creditor agencies • for a statement of charges submitted with a warehouse receipt according to paragraph 550	• (b), do not disburse the loan • (a) or (c) in agreement with the offset, disburse the loan. Note: See paragraph 30 for offsets.
CCC-679 is for CMA	(a) or (b), disburse the loan.
Note: Administrative offsets are not applicable.	

504 CCC-679's (Continued)

G Obtaining Additional CCC-679's

If additional liens or situations that do **not** fully protect CCC's interest are discovered **after** a loan is disbursed, County Offices must:

- obtain additional CCC-679's
- take any other necessary action, according to the regional attorney's advice, including accelerating the loan maturity date.

The following are examples of situations that do **not** protect CCC's interest:

- lien or liens were overlooked during the lien search
- all CCC-679's were **not** obtained
- UCC-1's were **not** filed properly
- UCC-1's were **not** extended when required.

505 County Loan Rates

A Determining Base County Loan Rates

[7 CFR 1421.9] Base county loan rates will be applied according to this table for the applicable crop year.

IF the commodity is...	THEN use the loan rate...
farm-stored	for the county where the commodity is stored, adjusted for the applicable reductions according to paragraph 520.
both of the following: • farm-stored • transferred from farm to farm, to another county, or to another State	for the county in which the commodity was originally located when the loan was disbursed.
warehouse-stored	for the county where the commodity is stored. Note: Apply premiums and discounts at forfeiture only .
both of the following: • warehouse-stored • stored in a warehouse operating under a merged code agreement	for the location to which the producer delivered the commodity. Notes: The warehouse receipt issued under merged warehouse code agreements must show location and county to which the commodity was delivered. Apply premiums and discounts at forfeiture only .
both of the following: • warehouse-stored • represented by a warehouse receipt indicating the “grain covered by this receipt has been redeposited”	where the receipt is issued.
either of the following: • transferred from farm storage to warehouse storage • transferred from warehouse storage to another warehouse or to farm storage	of the original loan. Note: The loan rate of the new loan will remain the same as the original loan and will neither increase nor decrease because of the new storage location.

505 County Loan Rates (Continued)

B Recording Loan Rates in CLPS

Commodity loan rates will be updated each crop year for each State and county at the national level. County Offices do not have to update any tables.

C Requesting Loan Rates for New Crops

To request loan rates that are **not** available, State Office must contact PSD.

506 Loan Service Fees**A Establishing Loan Service Fees**

[7 CFR 1421.104] CCC establishes a nonrefundable loan service fee that is deducted from each loan.

County Offices must **not**:

- add any other fees to the loan service fee established by CCC
- delete or adjust the service fee in CLPS unless instructed to do so by the National Office.

B Loan Service Fee Rates

The loan service fee:

- is **not** applicable to LDP's
- will be the **smaller** of the following:
 - 1/2 (.005) of 1 percent times the gross loan amount
 - amount shown in the following table.

Type of Loan	Loan Service Fee (In Dollars)
Farm-stored:	
• per loan	45
• each storage structure with loan collateral over 1.	3
Warehouse-stored:	
• per loan	45
• each warehouse receipt over 1.	3
Distress, per loan.	45

CLPS automatically computes the loan service fee.

507 Loan Maturity Dates**A Nonrecourse and Recourse Loans**

[7 CFR 1421.101] Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which the loan is disbursed.

For replighted loans:

- the maturity date will be the same as the original loan maturity date
- in CLPS, enter the approval date of the original loan to establish the proper maturity date for the replighted loan.

Distress loans mature on demand, but no later than 90 calendar days after the date the loan is disbursed. The collateral may be replighted for loan according to paragraph 1221.

B Nonworkday

If the maturity date falls on a nonworkday, the maturity date will be the next workday.

C Maturity Month Table

This table shows applicable maturity months. According to statute, loans **cannot** be extended.

Month Disbursed/Approved	Maturity Month (Last Day)
June	March
July	April
August	May
September	June
October	July
November	August
December	September
January	October
February	November
March	December
April	January
May	February

508 Disbursing Loans**A Preparing Note and Security Agreements**

Prepare CCC-677 or CCC-678 in CLPS according to 16-PS.

All commodity loans **must** be recorded through CLPS and disbursed through NPS.

Disburse loan proceeds to each producer who has a share in the loan after offset, if applicable, unless CCC-679 indicates that the remaining disbursement is to be issued jointly to the lienholder.

After all offsets have been deducted from the loan proceeds as indicated on CCC-679, item 5 (c), disburse the remaining loan proceeds by either of the following methods:

- EFT or check to the producer, if item 5(a) was checked where all lienholders indicate they do **not** want to be included on the disbursement
- 1 check to the producer and all lienholders requesting joint payment in item 5(b) or (c).

Note: Loan proceeds are **not** assignable. See 63-FI, paragraph 64.

508 Disbursing Loans (Continued)**B Approving Note and Security Agreements**

Approve CCC-677 or CCC-678 for CCC only after:

- lien search has been completed and all lean waivers, if applicable, are obtained
- for farm-stored loans, UCC-1's are filed

Note: Do **not** delay loan disbursement after UCC-1 has been recorded by the proper official.

- second party review has been completed according to paragraph 234
- CCC-770 MAL has been completed, if applicable
- all required borrowers' signatures are obtained.

Notes: Each producer signing CCC-677 or CCC-678 is jointly and severally liable for repayment of the amount due.

The loan approval date **must not** be before the date all required borrower's signatures are obtained on the current CCC-677 or CCC-678.

The maturity date is determined by the loan approval date.

Only County Office employees delegated or re-delegated with loan approval authority can approve CCC-677 and CCC-678.

When CCC-677 or CCC-678 is approved, the person signing for CCC must have determined that both the producer and the commodity are eligible.

The properly completed CCC-677 or CCC-678 **must** be signed **before** the loan can be approved and disbursed. The disbursement date must **not** be later than 30 calendar days after the approval date or final loan availability date.

508 Disbursing Loans (Continued)**C Denial Notification**

See subparagraph 501 D for notifying producers when loan benefits are denied.

D Distributing Documents

Provide producers a copy of the following:

- all approved CCC-677 or CCC-678 with signatures
- CCC-677 or CCC-678 generated at disbursement

Note: CCC-677 or CCC-678 generated at loan disbursement provides written notification to the producer of the loan maturity date and interest rate.

- CCC-601 (Exhibit 4) printed online through either the employee (<https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>) or public forms site.

E Filing Documents

File in:

- locked, custody, fireproof files, the following **original** documents:
 - all signed and approved CCC-677 or CCC-678
 - for warehouse-stored loans, warehouse receipts and, if applicable, KC-350 (Grain) or KC-350 (Oilseed)
- producer's loan folder, **copies** of the following documents:
 - all signed and approved CCC-677 or CCC-678
 - for warehouse-stored loans, front and back of the warehouse receipts and, if applicable, KC-350 (Grain) or KC-350 (Oilseed).

Important: The warehouse receipt **must** show endorsement.

Note: See File Maintenance and Disposition Manual for filing details.

509 COC Approval of Certain Farm-Stored Loans**A COC Approval Required**

[7 CFR 1421.4] Cases must be referred to COC **before** approving a farm-stored loan when an otherwise eligible producer has:

- been convicted of a criminal act in connection with the loan and LDP programs
- made a misrepresentation in connection with the loan and LDP programs
- unlawfully disposed of or willfully converted CCC loan collateral
- caused the County Office difficulty in settling a previous loan.

COC will approve a loan **only** when satisfied that CCC's interests are **fully protected**.

B Denial Notification

See subparagraph 502 D for notifying producers when loans are denied.

510 Additional Disbursement Guidelines

A Farm-Stored Loans

For farm-stored loans, additional disbursements for either an increase in loan quantity or loan rate are not authorized.

During the loan availability period, producers may request a separate loan or LDP for quantities exceeding the initial loan quantity.

B Warehouse-Stored Loans

If requested by the producer, an additional disbursement for money **only** may be processed for an error resulting in under disbursement.

An additional disbursement for money **only** must be processed **before** loans are repaid at a market loan repayment rate for errors resulting in under disbursement.

Process correction for the additional disbursements, if applicable, according to 16-PS.

*--511 Requesting Lien Waivers and UCC-3's From SBA

A SBA EIDL Program

As a result of the Paycheck Protection Program and Health Care Enactment Act of 2020, the SBA EIDL Program was expanded to agricultural businesses affected by COVID-19. SBA stopped accepting EIDL applications on January 1, 2022.

Small agricultural businesses were able to apply for the EIDL Program through SBA, as well as MAL's offered through FSA. As a result of the MAL lien search process, FSA identified SBA as a lienholder of agricultural commodities for customers with SBA EIDL's. This was because SBA initially filed UCC-1 with State authorities that provided a general lien on all business assets to secure their EIDL. The broad nature of the standard filing provided SBA a lien on farm products, crops, livestock, and equipment.

SBA issued a document detailing frequently asked questions specific to agricultural businesses; however, additional clarification was needed to ensure that FSA's and CCC's interest is secure for the MAL program.

For EIDL's that have already been issued, SBA has informed FSA that they intend to amend the liens for those EIDL's to revise the collateral statement. The revision will exclude agricultural commodities from that lien. Accordingly, any producer who had an EIDL before receiving an MAL, that EIDL will no longer cover agricultural commodities and will remain a prior lien on any MAL commodity.--*

--511 Requesting Lien Waivers and UCC-3's From SBA (Continued)*B FSA Process for Requesting Signature or Amendment From SBA Lienholder**

County Offices or alternative delivery partners will:

- enter required information on CCC-679 as follows:
 - complete items 1 through 4
 - in item 5(a), check "To the producer."

Note: Items 6 and 7 will be completed by SBA.

- scan and email CCC-679 to sba.usda.mal@sba.gov.

To facilitate the response from SBA:

- include the EIDL number that is provided in the UCC-1 filing on the FSA lien waiver or subordination agreement

Note: The EIDL number can be found in UCC-1, item 4, after the description of the collateral. On CCC-679, enter the EIDL number with the producer's name on the appropriate FSA form; otherwise, enter the EIDL number in the Remarks Section if available.

- provide a copy of the UCC-1 filing statement in the email request
- do not compile multiple lien waivers or subordination agreements in one PDF document, and keep request forms separate for each producer
- attach multiple PDF files in 1 email.

County Office employees or alternative delivery partners must:

- allow at least a 1-week turn around to receive a response from SBA before contacting the State Office for additional assistance
- inform the producer or applicant that SBA will notify or contact them directly about changes or amendments to the EIDL agreement and authorization and UCC-3 amendment for restatement of UCC-1
- inform the producer or applicant that UCC-3 must be filed by the producer or applicant to update the existing lien filed by SBA--*

--511 Requesting Lien Waivers and UCC-3's From SBA (Continued)*B FSA Process for Requesting Signature or Amendment From SBA Lienholder (Continued)**

- not disburse loans before receiving proper evidence that the producer has filed the appropriate UCC amendment that removes the MAL commodity from UCC-1 and paid appropriate fees

Note: See subparagraph C.

- not send multiple requests to SBA for the same producer or applicant without first contacting the State Office specialist (alternative delivery partners may contact the program manager). State Office employees must contact the respective program manager if there are concerns after the lien waiver or subordination agreement has been submitted.

C SBA Response After Receiving Lien Waiver Request

Once a lien waiver request has been submitted, SBA will:

- modify the collateral statement on UCC-1
- submit the amendment to be filed by the producer or borrower.

After SBA receives the lien waiver from FSA:

- SBA will assign the request to a designated team member to contact the EIDL borrower
- team members will confirm that the EIDL borrower is seeking an FSA loan and advise that the collateral security statement will be amended to allow the borrower to continue to obtain additional loan assistance for agricultural commodities without notifying SBA in the future
- team members will advise the borrower that SBA will be sending the following:
 - “LM” collateral change letter

Note: See Exhibit 5, subparagraph Q for an example letter.

- UCC-3, which will exclude the agricultural commodities from the lien

Note: See Exhibit 5, subparagraph Q for an example.

- SBA will forward a copy of the “LM” letter and UCC-3 to the FSA requestor to advise that SBA EIDL does not secure the items listed on the MAL lien waiver request, but UCC-3 is not effective until filed.--*

--511 Requesting Lien Waivers and UCC-3's From SBA (Continued)*D Producer Action After Receipt of "LM" Letter and UCC-3**

Once the producer or borrower has received the "LM" letter and UCC-3 from SBA, the producer or borrower must do the following:

- file UCC-3 in the appropriate office according to State guidance
- pay the applicable filing fee
- provide evidence of the filing to the County Office.

Notes: Evidence may vary by State. Contact the local UCC filing authority or regional attorney if there are questions about the evidence provided. The evidence must demonstrate that the collateral security statement for EIDL has been amended to exclude, "All farm products, including crops, livestock, and other agricultural commodities, and/or the proceeds from any sale of these items".

Neither SBA nor FSA is responsible for paying UCC-3 filing fees.

FSA offices and alternative delivery partners will not disburse:

- loans until evidence has been submitted verifying the filing of UCC-3's
- subordination agreements for a producer or borrower who also has an SBA EIDL.--*

512-519 (Reserved)

Section 2 Farm-Stored Loans**520 Nonrecourse Loan Requests and Loan Rates****A Requesting Farm-Stored Loans**

[7 CFR 1421.105] When requesting farm-stored loans, producers must:

- for certified loans, certify the quantity in farm storage on CCC-666 according to paragraph 524
- for measured loans:
 - complete CCC-666 according to paragraph 524
 - request measurement service according to paragraph 525 and Exhibit 15.

B Loan Rates

Use the loan rate for the county where the commodity is stored to calculate the loan amount for certified or measured farm-stored loans according to paragraph 505.

C Adjusting Loan Rate

Adjust the base county loan rate for the following:

- commodities harvested as other than grain, **except** silage and hay (subparagraph D)
- contaminated commodities (subparagraph E)
- low quality or sample grade commodities (subparagraph F).

520 Nonrecourse Loan Requests and Loan Rates (Continued)**D Loan Rate for Commodities Harvested as Other Than Grain**

For certified or measured farm-stored loans on commodities harvested as other than grain, the loan rate will be 30 percent of the loan rate for the county where the commodity is stored to calculate the loan amount. Silage and hay are **not** eligible for a MAL.

The following illustrates how the commodity harvested as other than grain MAL rate is computed.

Determining Commodities Harvested as Other Than Grain MAL Rate		
Line	Description	Loan Rate
1	MAL Rate (County Rate for Corn))	\$2.00
2	Nonrecourse MAL Rate for Commodities Harvested as Other Than Grain: 30 Percent of Loan Rate (.30 x Line 1)	\$.60

E Contaminated Commodities

For contaminated commodities, the nonrecourse loan rate shall be 10 percent of the loan rate for the county where the commodity is stored to calculate the loan amount for certified or measured farm stored loans exceeding acceptable contaminate levels according to paragraph 231.

Important: Contaminated commodities that remain merchantable are eligible to receive the full loan rate as a recourse loan.

The following table illustrates how the contaminated commodity MAL rate is computed for nonrecourse loans.

Determining Contaminated Commodity MAL Rate		
Line	Description	Loan Rate
1	MAL Rate (County Rate for Corn))	\$2.00
2	Nonrecourse MAL Rate for Contaminated Commodities: 10 Percent of Loan Rate (.10 x Line 1)	\$.20

Recourse loans for commodities contaminated with mycotoxins such as fumonisin, aflatoxin, or vomitoxin with test results that demonstrate merchantable levels of toxicity, are eligible to be pledged for a recourse loan at the full loan rate.

520 Nonrecourse Loan Requests and Loan Rates (Continued)**F Low Quality Commodities**

For low quality commodities, including commodities with a test weight falling on the additional schedule of discounts in 2-LP Grain and Oilseeds, the loan rate is 20 percent of the applicable base county loan rate; no other discounts will be applied to the nonrecourse loan disbursed at the reduced loan rate.

The following table illustrates how the low quality commodity MAL rate is computed.

Determining Low Quality Commodity MAL Rate		
Line	Description	Loan Rate
1	MAL Rate (County Rate for Corn))	\$2.00
2	Nonrecourse MAL Rate for Low Quality Commodities: 20 Percent of Loan Rate (.20 x Line 1)	\$.40

Note: Wheat that has falling numbers and grades 1-5 or does **not** have quality factors listed on the additional schedule of premiums and discounts, will **not** be considered a low quality commodity. See subparagraph 225 H. For the falling number discounts for wheat, see 2-LP Grains and Oilseeds.

G Premiums and Discounts

Premiums and discounts will **not** apply for all eligible commodities at loan disbursement, **except** for peanut and cotton MAL's; however, premiums and discounts will apply if the eligible loan commodities are forfeited and delivered to CCC and any deficiency **must** be repaid to CCC.

H Adjustments to Loan Rate After Forfeiture or Settlement

Except for peanuts and cotton, loan rates will be adjusted to reflect applicable premiums and discounts and/or storage charges owed to CCC at the time of recording the forfeiture or settlement.

Note: Each producer signing CCC-677 or CCC-678 is jointly and severally liable for repayment of the amount due.

521 Filing UCC-1's**A 1998 Revision and 2010 Amendments to UCC Article 9**

All States have adopted the 1998 revision to UCC Article 9. One of the key changes included centralizing the electronic filing of most security interests for States without a pre-existing centralized filing system. However, as States transition to a centralized, electronic UCC filing and recording system, the means by which UCC-1's are filed and paid for may vary from State to State. State Offices must:

- continue to follow the regional attorney's advice
- request, from PSD, isolated exceptions to policy in this paragraph based on the following:
 - written direction or recommendations from the regional attorney
 - PSD concurrence.

Example: The regional attorney advises that filing UCC-1 without a loan applicant's signature negates the double jeopardy protection afforded secured lenders by certain State laws according to Pub. L. 99-198, Section 1324. In this case, upon PSD concurrence, the State Office may direct County Offices to continue **requiring** that a loan applicant sign UCC-1, as advised by the regional attorney.

Many States have enacted the 2010 amendments to UCC Article 9. The 2010 amendments:

- modify the existing statute to respond to filing issues and addresses other matters that have arisen in practices following a decade of experience with the 1998 revision to UCC Article 9
- provide new standards for the names of individual debtors to be used on UCC-1.

Note: In States that have enacted the 2010 amendments to UCC Article 9, the effective date of the new law is July 1, 2013. In States that have **not** yet adopted the 2010 amendments, the effective date will be the date specified by State Statute in its adoption of the 2010 amendments.

State Offices must contact their regional attorney for information on the status of the 2010 amendments to UCC Article 9 in their State.

521 Filing UCC-1's (Continued)**B Applicability**

County Offices must file applicable UCC-1's required by State law to protect CCC's security interest after CCC-10 is obtained:

- for all farm-stored loans
- for warehouse-stored loan collateral transferred to farm storage
- immediately after the lien search and **before** loan disbursement so there can be no intervening security interests filed; obtain CCC-679 to ensure CCC's first lien position.

Notes: If UCC-1 has previously been filed, ensure UCC-1 will **not** lapse **before** loan maturity.

The procedure for filing UCC-1's, and the time period before the filing appears on the lien search, is different in every State. The loan can be disbursed provided the County Office has the results of the requested lien search, documentation showing the filing date and the reference number for the filed UCC-1, and the necessary lien waivers.

521 Filing UCC-1's (Continued)

C Where to File UCC-1's

Generally, UCC-1's are filed in the State where, in the case of an:

- individual, the individual resides
- organization or entity, the organization or entity is registered.

Note: See paragraph 502 to determine the UCC filing location based on CCC-10 data.

The UCC-1 filing location is **not** based on the location of the commodity, as shown in this table.

IF...	THEN, unless otherwise advised by the regional attorney...
commodity is stored in: • multiple counties within the same State • a State different from the producer's principle residence	file UCC-1 in the State having jurisdiction according to the current CCC-10.
farm-stored loan collateral is moved to another State for storage after perfecting the lien	no additional UCC-1 is filed because the lien is still perfected.

D Describing Collateral on UCC-1's and Other Situations

Describe collateral on UCC-1's according to the following.

IF...	THEN...
additional quantity is placed under loan	file another UCC-1 describing the collateral, if the quantity is not covered by a previously recorded UCC-1.
existing UCC-1 for the commodity is not crop year specific and covers all the current year production	it is not necessary to file additional UCC-1's.
a UCC-1 has not been previously recorded or does not cover the additional quantity	file a UCC-1 and describe the collateral as advised by regional attorney.

If the 2010 amendments to UCC Article 9 have been enacted in a State, the State Office must contact the regional attorney for information on what County Offices need to include on UCC financing statements.

521 Filing UCC-1's (Continued)**E Paying Filing Expenses and Termination Fee**

County Offices will pay filing and termination fees according to the following.

IF the...	THEN...
filing cost is for a financing statement, such as UCC-1	use the online payment web-based application. Special provisions allow the producer to pay the filing fee according to subparagraph 503 H.
producer requests termination of CCC's security interest	prepare and file the applicable UCC form after receiving the termination fee from the producer. State Offices may issue more detailed instructions on terminating UCC-1's applicable to their State.
termination fee was included in the initial filing fees	after producer requests termination of lien, prepare and file the applicable UCC form.

Note: Do **not** include **any** of these fees in the service fee for the loan.

F Debtor's Name on UCC Documents

The 2010 amendments to UCC Article 9 included new standards for the name used by individual debtors on UCC financing statements. There are 2 alternatives a State can choose to adopt for the proper naming of an individual debtor that can include using debtor's valid driver license or State-issued ID card for documentation. State Offices must contact their regional attorney for information on the naming alternative adopted in their State, and for all other guidance on the correct name to provide on a financing statement. UCC-1's that fail to properly identify debtors will **not** perfect security interests.

G UCC Forms

The 2010 amendments to UCC Article 9 implemented many new UCC forms. If the 2010 amendments to UCC Article 9 have been enacted in user's State, the regional attorney must be contacted by the State Office to determine which forms should be used under State law.

522 Eligible Storage Structures**A Approved Farm Storage**

[7 CFR 1421.103] Approved farm storage will consist of storage structures:

- located on or off the farm, excluding unauthorized (commercial storage) warehouses as defined in Exhibit 2, that provide safe storage for the commodity through the maturity date for the loan
- adequate to maintain the quality and quantity as determined by the County Office
- designed so that the commodity can be:
 - measured, safely inspected, and sampled, if necessary
 - safely stored in oxygen-limiting structures, as applicable.

Commodities stored in all types of bags may be eligible for loan if **all** of the following apply:

- COC determines CCC's interests are **not** at risk and that the bags provide safe storage
- COC determines that storing in grain bags of a particular size or bag thickness is normal for the commodity in that county

Note: COC, with STC concurrence, may waive this requirement on a case-by-case basis.

- the commodity must **not** be accepted in bags for delivery to CCC for a farm-stored loan settlement.

Pits or bunkers are:

- not approved farm storage for commodities harvested as grain,
- eligible storage for commodities harvested as other than grain.

Note: The loan rate will be adjusted according to subparagraph 520 D.

522 Eligible Storage Structures (Continued)**B Approved Warehouse Storage**

Warehouse-stored loans are available for commodities stored in approved or authorized warehouses or at the time either of the following occurs:

- warehouse-stored loan is requested
- farm-stored loan collateral is transferred to warehouse storage.

Approved or authorized warehouse storage, as defined in 7 CFR 1421.103(c)(1), consists of warehouses that:

- are Federally licensed under USWA
- if **not** Federally licensed:
 - are in compliance with State laws in a State with an operating warehouse licensing and both of the following:
 - authorized by AMS according to subparagraph 541
 - issue warehouse receipts that meet the criteria for MAL's, as specified in 7 CFR 1421.107
 - in a State without an operating warehouse licensing program, have entered into UGRSA with CCC.

Warehouses must have a CCC-assigned warehouse code to store CCC commodities for MAL.

See Exhibit 2 for definitions of approved and authorized.

License type and approved or authorized warehouse status is at the following web site:

https://publicdashboards.dl.usda.gov/#/site/MRP_PUB/views/WCMDDashboard/WCMDDashboard.

523 Producer Requests for Loans**A Using CCC-666's**

Producers must certify to the quantity and quality of a commodity and the eligibility for a certified farm-stored loan. County Offices will accept the producer's certification on CCC-666.

Note: Producers requesting certified loans must provide justification as to the quantity which can include either of the following:

- bin measurements of storage structure
- scale tickets.

For loans where measurement service is requested, CCC-666 **must** also be completed with CCC-677-1 and FSA-409. Measured quantity must be entered according to instructions for completing CCC-666 in paragraph 524.

CCC-666 must also be used for warehouse-stored loans for all commodities, **except** peanuts and cotton.

Notes: Warehouse cotton loans are requested on CCC-Cotton A-5.

STC's may request a DAFP waiver for warehouse stored peanut loan requests.

Remind producers of the administrative actions applicable for incorrect certification.

COC must **not** require that all loans based on the producer's certification be spot-checked or measured before or after disbursement.

A request for loan is complete once a signed CCC-666, all applicable eligibility forms, and supporting documentation, such as warehouse receipts, are received in the County Office.

523 Producer Requests for Loans (Continued)**B Signing CCC-666's**

The producer must sign CCC-666 certifying:

- to having beneficial interest in the commodity
- the quantity in the structures and how the determination was made
- the quantity on which to base the loan
- the storability of the commodity
- to the quality of the commodity
- the location of the commodity and, if applicable, additional designated storage structures
- that CCC-683 will be posted on the structures containing farm-stored loan collateral as instructed when the loan is disbursed
- whether there are lienholders having an interest in the commodity that will secure the loan
- the class applicable to the commodity
- that the identity of the commodity securing the farm-stored loan will remain unchanged
- the commodity securing the farm-stored loan will **not** be moved or commingled with any other commodity without prior written approval of the County Office.

If producers designate additional storage structures according to paragraph 526, farm stored loan collateral may be moved without prior County Office approval.

Before signing CCC-666, the producer **must** ENTER “yes” or “no” to the question, “Are you or any co-applicant delinquent on any Federal non-tax debt?” If the producer answers “yes”, see subparagraph 202 B.

524 Completing and Distributing CCC-666's

A Completing CCC-666's for Farm-Stored Loan Requests

Complete CCC-666 according to this table.

Item	Instructions
1 A - B	Enter County Office's name, address, and telephone number.
2	Enter applicable information. For joint loans, enter all producers' names and addresses, and share.
3	Enter location or legal description where commodity is stored, including the county.
4	Enter crop year of commodity.
5	Enter commodity. If corn, indicate if shelled, ear, cracked, rolled, or crimped.
6	Select 1 in each row, "Nonrecourse" or "Recourse" and "Farm" or "Warehouse".
7	Enter State and county codes and loan number applicable to the County Office disbursing the loan. Note: Loan number is not entered until the loan request is entered into CLPS as CLPS assigns the loan number.
8	Ask producer if there are liens on the commodity. If there are: • lienholders, enter lienholder's name and address for each producer • no lienholders, producer must ENTER "none" and initial the entry.
9	Enter farm number or numbers where the commodity for the loan was produced. May also enter "All" to indicate commodity was produced on all farms in which producer has a share. Notes: The farm numbers entered here should match the farm numbers selected in CLPS. If all cropland on a farm listed will not be reported by the final reporting date, that farm number must not be entered. It is a statutory requirement that all crop acres on a farm must be reported or no production from the farm is eligible for LDP or MAL.
10	If designated by producer, enter other payee information including amounts, and attach invoice, if applicable.

524 Completing and Distributing CCC-666's (Continued)

A Completing CCC-666's for Farm-Stored Loan Requests (Continued)

Item	Instructions
11	Enter County Office-assigned seal numbers for each storage structure containing loan collateral. Notes: Producer-assigned bin numbers may be used instead of County Office assigned seal numbers. Record the applicable producer or County Office assigned bin/seal numbers on CCC-683. The county where stored must be identified if stored in more than 1 county.
12	Enter description of structure and location. Example: "Round steel bin next to barn."
13	Enter class, variety, or type of commodity.
14	Acceptable entries include, but are not limited to: • producer measurements - bin diameter and height or height, length, and width must be included • FSA measurements, no other entries required in this item if CCC-677-1 is attached • scale tickets, attach copies and indicate attached • producer certification based on manual list of grain cart weights or manual list of loads weighted on a farm scale. Notes: County Offices must be satisfied that the producer's basis for quantity determined is acceptable. Do not accept manufacturer's rated capacity of the structure as a determination of certified quantity. If item 14 is not completed, the MAL will be considered an improper payment. County Offices must complete measured loan requests according to paragraph 525.

524 Completing and Distributing CCC-666's (Continued)

A Completing CCC-666's for Farm-Stored Loan Requests (Continued)

Item	Instructions
15	Enter producer's certification of quantity in structure, as determined from entries in item 14. Enter total of entries at bottom of column.
16	Enter quantity in structure that is eligible for loan. Entry must not exceed quantity in item 15. Enter total of entries at bottom of column. Note: For measured loans in item 19 B, County Offices will ENTER, "See FSA-409 and CCC-677-1".
17	Enter quantity for loan (paragraph 528). Enter total of entries at bottom of column.
18	DCIA questions must be answered or request shall not be approved. In addition, County Offices must: • ensure that all applicable CCC-666 items are completed • explain to the producer the administrative actions that may be taken if the certification is incorrect • ensure that the producer has read the Producer Certification statement before the producer signs the Producer Certification.
18A	Producer must enter information pertinent to the loan request, including but not limited to the following: • designated additional structures • indicate moisture content for excess moisture or HM commodities • indicate whether the: • commodity will be dried • structure can be measured.
18B	Producer must sign the Producer Certification.
18C	Individual signing in item 18 B must enter their title and/or relationship to the individual, if signing in a representative capacity.
18D	Producer must enter date of signature in 18 B.

524 Completing and Distributing CCC-666's (Continued)

A Completing CCC-666's for Farm-Stored Loan Requests (Continued)

Item	Instructions
19A	Enter amount for offset and for other payees, if applicable, from item 10.
19B	County Office may enter any additional information applicable to the loan.
19C	Second party review for completeness - initial and date. Must not be employee assisting producer in completing CCC-666 or approving the MAL request.
20	Enter date the lien search was completed as indicated on documentation in the County Office.
21	Enter date the County Office forwarded UCC-1 or UCC-1F to the applicable recording official to be recorded, or the actual recording date, if available.
22	County Office employee will enter date all needed documents for loan disbursement were received. This is used to record date and is not required to be completed before County Office employee signs and dates in items 23 and 24. Note: Documents include both required loan and producer eligibility documents.
23 - 24	Authorized County Office employee must sign and date, for CCC, approving request.

524 Completing and Distributing CCC-666's (Continued)

B Completing CCC-666's for Warehouse Loans With EWR's

Complete CCC-666 for warehouse loans with EWR's and an accompanying printout with receipt numbers and other required information according to this table.

Item	Instructions
1 - 2	Complete according to table in subparagraph A.
3	Enter warehouse name and State and county location where stored.
4 - 10	Complete according to table in subparagraph A.
11	If EWR printout attached, enter "EWR" and "See Attached" is entered in item 12.
12	Enter "See Attached" , if EWR printout is attached.
13 - 16	No entries required for warehouse loans with EWR's on attached printout.
17	Enter total quantity requested for loan on last line.
18	Complete according to table in subparagraph A.
19A	County Office must enter amount for offset and for other payee, if applicable, from item 10.
19B	County Office may enter any other pertinent information.
19C	Second party review for completeness - County Office employee must initial and date. Must not be employee assisting producer in completing CCC-666 or approving the MAL request.
20	County Office must enter date the lien search was completed as indicated on documentation in the County Office.
21	Entry not required for warehouse loans. Enter N/A.
22	County Office will enter date all needed documents for loan were received. This is used to record date and is not required to be completed before County Office employee signs and dates in items 23 and 24.
23-24	Authorized County Office employee must sign and date, for CCC, approving request.

524 Completing and Distributing CCC-666's (Continued)

C Completing CCC-666's for Warehouse Loans With Paper Receipts

Complete CCC-666 for warehouse loans with paper receipts according to this table.

Item	Instructions
1 - 2	Complete according to table in subparagraph A.
3	Enter warehouse name and State and county location where stored.
4 - 10	Complete according to table in subparagraph A.
11	Enter paper warehouse receipt numbers.
12	Copy warehouse receipts and attach. Enter "See Attached".
13 - 16	No entries required for warehouse loans with copies of warehouse receipts attached.
17	Enter total quantity requested for loan on last line.
18	Complete according to table in subparagraph A.
19A	County Office must enter amount for offset and for other payee, if applicable, from item 10.
19B	County Office may enter any other pertinent information.
19C	Second party review for completeness. County Office employee must initial and date. Must not be employee assisting producer in completing CCC-666 or approving the MAL request.
20	County Office will enter date the lien search was completed as indicated on documentation in the County Office.
21	Entry not required for warehouse loans. Enter N/A.
22	County Office will enter date all needed documents for loan was received. This is used to record date and is not required to be completed before County Office employee signs and dates in items 23 and 24.
23 - 24	Authorized County Office employee must sign and date, for CCC, approving request.

524 Completing and Distributing CCC-666's (Continued)

D Example of CCC-666

The following is an example of CCC-666.

This form is available electronically.				(See Page 2 for Privacy Act and Paperwork Reduction Act Statements.)			
CCC-666 (09-05-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation COMMODITY LOAN REQUEST		1A. COUNTY FSA OFFICE NAME AND ADDRESS (Include Zip Code) Any County FSA Office 999 Any RD Town, ST 99999-9999			
2. NAME AND MAILING ADDRESS OF PRODUCER Able Farmer 9999 Any RD Town, ST 99999-9999		3. LOCATION WHERE STORED 9999 Any RD Town, ST		4. CROP YEAR 20XX		5. COMMODITY Corn	
						6. TYPE (Select two) ☐ Nonrecourse ☐ Recourse ☐ Farm ☐ Warehouse	
7. ST & CO. CODE AND LOAN NO. 99-999-99999		8. LIENHOLDER(S)		9. FARM NUMBER(S) WHERE PRODUCED 9999		10. OTHER PAYEEES None	
11. BIN SEAL OR WAREHOUSE RECEIPT NO.	12. IDENTIFICATION (Structure or Warehouse)	13. CLASS VARIETY OR TYPE	14. BASIS FOR QUANTITY DETERMINATION (Producers measurements, FSA measurements, warehouse receipts, scale tickets, etc.)		15. QUANTITY (In structure or on Warehouse Receipt)	16. ELIGIBLE QUANTITY FOR LOAN	17. TOTAL LOAN QUANTITY REQUESTED
CN-YY-/xxx X-N	North Bin 1	YC	North 36' Bin		15,000	15,000	10,000
TOTALS:					15,000	15,000	10,000
18. PRODUCER'S CERTIFICATION - The undersigned producer(s) ("Producer") requests a Commodity Credit Corporation (CCC) loan on the commodity identified in Item 5 with respect to the quantity specified in Item 17. For both farm and warehouse stored loan requests, the Producer certifies that, (1) the Producer has beneficial interest in the quantity of the commodity shown in Item 17; (2) the commodity is eligible to be pledged as collateral for a CCC loan; (3) the Producer has retained control of the commodity at all times; and (4) the commodity on which the loan is requested is free and clear of all liens, security interest, and encumbrances, except as shown above in Item 8. In addition, for farm-stored loans, the Producer certifies that (1) the quantity of the commodity shown in Item 17 above is in existence and is stored in the bin(s) noted; (2) the commodity is in storable condition and such condition will be maintained; and (3) the structure will safely store the commodity through the loan period. The Producer further agrees, for farm stored loans to (1) post CCC loan seals on bin(s) as instructed by CCC; (2) maintain the identity of the above identified commodity; and (3) not move or commingle the commodity with any other commodity without the prior written approval of CCC. For warehouse-stored loans, the commodity must be stored at one of the following: (1) a warehouse Federally licensed under the United States Warehouse Act; (2) a warehouse that has entered into a Uniform Grain and Rice Storage Agreement with CCC; (3) a warehouse licensed in a State with an operating warehouse licensing program that issues receipts meeting the criteria for a marketing assistance loan, and has requested and received a warehouse code from CCC; or (4) for peanuts, entered into a Peanut Storage Agreement with CCC.							
Are you or any co-applicant delinquent on any federal non tax debt? (If "YES", provide details in the remarks.) ☐ YES ☒ NO							
18A. REMARKS							
18B. PRODUCER'S SIGNATURE		18C. TITLE/RELATIONSHIP OF THE INDIVIDUAL IF SIGNING IN A REPRESENTATIVE CAPACITY			18D. DATE (MM-DD-YYYY)		
		/s/ Able Farmer			09-15-20XX		
FOR OFFICIAL USE ONLY							
19A. OFFSETS		19B. REMARKS			19C. SECOND PARTY REVIEWER INITIALS AND DATE		
\$		Producer Certified moisture at 14.0% and TWT of 56.0					
20. LIEN SEARCH DATE (MM-DD-YYYY)	21. DATE UCC-1 FILED IF APPLICABLE (MM-DD-YYYY)	22. DATE DOCUMENTS RECEIVED (MM-DD-YYYY)	23. REQUEST APPROVAL FOR CCC BY (Signature)		24. DATE (MM-DD-YYYY)		
09-20-20XX	09-15-20XX		/s/ CED Signature		09-21-20XX		

Note: Entries in items 13-16 are required for farm-stored loans **only**. Leaving any of the items blank for a farm-stored loan will cause COR findings or Improper Payments Information Act of 2002 results.

524 Completing and Distributing CCC-666's (Continued)

D Example of CCC-666 (Continued)

CCC-666 (09-05-19)	Page 2 of 2
NOTE: <i>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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1421. The information will be used to determine eligibility to participate in and receive benefits under a commodity loan program. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under a commodity loan program.</i> Paperwork Reduction Act (PRA) Statement: <i>The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i>	
<i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i> <i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i> <i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</i>	

E Distributing CCC-666

File original in the producer's loan folder and provide a copy to the producer.

525 Measurement Service for Loans or LDP's**A Requesting Measurement Service**

The producer may request and receive measurement service for a loan application or LDP for all commodities. County Offices will:

- complete FSA-409 according to 2-CP
- initially prepare CCC-677-1 for use by the commodity loan inspector (Exhibit 15).

Notes: For loans, producer **must** also complete and sign CCC-666.

For LDP's, CCC-633 EZ, page 1 **must** be completed and on file, **and** the applicable CCC-633 EZ, page 2, 3, or 4, **must** be completed and signed.

A paid measurement service may be requested up to 30 calendar days before a producer submits a loan application. If a loan request is **not** made within 30 calendar days after measurement service is completed, the producer may certify to the quantity pledged for a loan or pay for another measurement service.

See Part 10 when measurement service is needed to determine quantity for LDP request.

County Offices must **not** provide measurement service for commodities stored in:

- authorized warehouses (commercial storage)
- structures that **cannot** be safely accessed
- **sealed structures**, such as oxygen-limiting structures.

Measurement service may be used for production evidence if fee is paid and producer indicates on CCC-677-1, block 32, within 30 calendars of measurement service completion that they wish to use the measurement service for production evidence. Producer should be immediately notified of measurement service results.

If the loan is spot-checked, the spot check results may be used as production evidence, if the producer pays for measurement service within 30 calendar days of the spot check being completed and CCC-677-1, block 32 is checked.

525 Measurement Service for Loans or LDP's (Continued)**B Measurement Service Fees**

Establish measurement service fees according to 2-CP.

Fees may be either:

- collected when the producer requests the measurement service or after completion
- deducted from the loan or LDP proceeds as a payee to CCC.

Note: Loans and LDP's must **not** be disbursed without measurement service either paid or offset from loan disbursement or LDP.

C Producer Responsibilities

[7 CFR 1421.105] The producer **must** provide access to the commodity during inspection. If safe access to the structure and commodity is **not** available, the commodity inspector must:

- **not** complete the measurement service request
- record the conditions on CCC-677-1 and report the findings to the County Office.

To ensure accurate measurements, the producer should:

- leave excess ace on top of commodity in structure
- level the commodity, if possible
- square ends and sides of commodity piles by using bulkheads if commodity is stored in a flat structure.

525 Measurement Service for Loans or LDP's (Continued)

D Commodity Inspector Responsibilities

Commodity inspectors will follow the steps in this table when measurement service has been requested.

Step	Action
1	Measure commodity stored in all structures that may be safely accessed that will be included in the disbursement. To ensure accurate measurements, if the commodity is not level: • record depth of commodity from several places in the storage structure • use the average measurements for entries on CCC-677-1. Commodity inspectors must not measure any commodity stored in a structure that is not safe to measure.
2	Check the commodity and structures, as applicable, for any of the following conditions: • insect infestation • heating because of excess moisture • rodent or other animal or bird damages • structural damage. Record on CCC-677-1, "Remarks" section, any factors that could affect storability or quality of the commodity.
3	Draw a representative sample, using the method according to 5-LP, with a standard grain probe from varying depths of the commodity throughout all storage structures that will be included in the disbursement. Note: Do not obtain sample solely from the surface of the stored commodity.
4	Use sample to determine whether the commodity is eligible for recourse or nonrecourse loan or for LDP. Note: Quality determinations will be made for the following: • grade, based on test weight • test weight • moisture when moisture level is greater than STC level.
5	Complete CCC-677-1 according to Exhibit 15.

525 Measurement Service for Loans or LDP's (Continued)

E County Office Responsibilities

Before disbursing loans or LDP's, County Offices will follow these steps after measurement service has been completed.

Step	Action
1	Review all entries and calculations of quantity on CCC-677-1 and notate any comments entered by the commodity inspector. Refer loan or LDP application information to COC for review if there: • are comments from the commodity inspector about the adequacy of the storage structure or storability of the commodity • is reason to question quantity eligibility.
2	For loans, enter measurements through the bin calculator in CLPS according to 16-PS. The quantity in the storage structure will be calculated by CLPS from the measurements entered for both circulator and rectangular structures. The bin calculator screen allows for: • adjusting the quantity using the test weight pack factor • cone adjustments for a circular bin • adjustments for both circular and rectangular structures. Note: The bin calculator in CLPS must not be used to compute the loan quantity for a certified farm-stored loan request.
3	Bin calculator is currently not available in LDP.
4	The quantity determined in steps 2 is not adjusted by CLPS for moisture shrinkage. If the moisture exceeds the standard of the commodity, the quantity must be adjusted manually for moisture according to Exhibit 10.
5	Review the following data with the producer before completing the loan or LDP: • measurements • calculations of the quantity. Producers: • must: • verify the measurements • initial and date CCC-677-1, item 31 • may request to use measurements for production evidence for the requested loan or LDP by entering initials and date on CCC-677-1, item 32 within 30 calendar days from the completion of the measurement.

525 Measurement Service for Loans or LDP's (Continued)

E County Office Responsibilities (Continued)

Step	Action
6	COC may use scale weights instead of the measured quantity if all of the following apply: • commodity is measured • producer provides scale tickets representing the measured commodity for initial loans • COC determines that the scale weights are representative of the measured quantity. COC must document the following in the minutes and the loan or LDP folder, as applicable: • any use of scale weights • that COC believes the quantity represented by the scale tickets is in the storage structure • producer's request to use, for production evidence, measurements or scale weights for loan or LDP quantity. The quantity on the scale ticket must be adjusted for moisture and test weight determined from the measurement service.
7	Complete the loan or LDP, as applicable, if: • data is complete and accurate • determinations for loan for reducing the maximum loan rate and quantity have been made, when applicable according to paragraphs 528 and 530 • quality determinations are made for eligibility for nonrecourse or recourse loan • the quantity is determined eligible.
8	Provide completed CCC-683, Commodity Loan Seal, to producers which include the loan and lot number according to Exhibit 16.

525 Measurement Service for Loans or LDP's (Continued)

F Applying Certain Factors to Loan and LDP Quantities

Apply, to FSA measured loan and LDP quantities, test weight factor, combined test weight and pack factors, and moisture shrinkage factor, as applicable. CLPS and LDP use the following:

- combined test weight and pack factors to determine the measured quantity of barley, corn, oats, grain sorghum, soybeans, and wheat
- test weight and pack factors to determine the measured quantity for oilseeds, **except** soybeans.

In CLPS, if moisture is in excess of 2-LP standards, manually apply the moisture shrinkage factors, in Exhibit 10, to shrink the measured quantity for:

- oilseeds, **except** soybeans (subparagraph B)
- all other commodities, including soybeans and ear corn (subparagraph A).

Note: The bin calculator in LDP shrinks a measured commodity if there is excess moisture.

Do **not** apply the combined factors to any of the following:

- grain **not** stored in a structure
- corn and grain sorghum exceeding the maximum STC moisture levels
- cracked, rolled, or crimped shelled or ear corn.

For soybeans, the net weight and net bu. will be the gross weight minus the weight of the foreign material exceeding 1 percent.

Exhibit 17 provides the combined test weight and pack factor tables for commodities that match calculations in CLPS and LDP. When determining quantity using the combined test weight and pack factors in Exhibit 17, County Offices are to remind producers that they **must** verify the measurements and are responsible for the entire loan amount.

Exhibit 68 provides the combined test weight and pack factors for pulse crops. The factors match the combined test weight and pack factors in CLPS and LDP when calculating the quantity for measured loans.

Note: Dry pea quantity will be determined net quantity, excluding nonpea material. Nonpea material consists of foreign and other material. Refer to paragraph 335 D for production evidence requirements.

For all spot checks, the county must manually compute the quantity by applying the applicable factor in Exhibits 10, 17, and 68.

526 Additional Storage Structure Designation for Loans**A Designating Additional Structures**

Producers will be provided the opportunity to designate **additional** eligible storage structures to which loan collateral may be moved during the loan period.

Producers may request to designate structures at time of loan application on any of the following, as applicable:

- CCC-666, item 18 according to paragraph 524
- at loanmaking on CCC-677
- after loanmaking on CCC-687-1 according to paragraph 600.

B Designated Structures

The designated structures may be:

- any or all structures under the producer's control
- structures that contain:
 - the producer's loan collateral
 - other producer's loan collateral.

The designated structures must meet the eligible storage requirements according to paragraph 522.

527 Completing CCC-665's for Commingled Production**A Commingled Commodities**

All producers whose commodities are stored commingled in a storage structure, when all or a portion of the commodity is or will be collateral for **separate** CCC loans, must sign CCC-665. See subparagraph B for an example of CCC-665.

Note: If all applicable producers do **not** sign CCC-665, loans must, as applicable:

- **not** be disbursed
- already disbursed must have the maturity date accelerated.

Producers whose commodities are stored commingled in the same storage structure may obtain **joint** loans in the normal manner when **all** producers sign CCC-677. CCC-665 is **not** required in this situation.

Note: Each producer signing CCC-677 or CCC-678 is jointly and severally liable for repayment of the amount due.

See Part 6, Section 1 for additional commingling provisions.

527 Completing CCC-665's for Commingled Production (Continued)

B Example of CCC-665

County Offices must use CCC-665 when subparagraph A is applicable.

This form is available electronically.	
CCC-665 (12-13-19)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation
AGREEMENT FOR GRAIN PLEDGED AS COLLATERAL FOR CCC COMMODITY LOANS	
NOTE: <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information to be supplied on this form is authorized by the Federal Agriculture Improvement and Reform Act of 1996 (Pub. L. 104-127), the Commodity Credit Corporation Charter Act, as amended (15 USC 714 b & c) and 7 CFR Part 1421. The information will be used to monitor collateral placed under loan in the CCC commodity loan program. Providing this information is voluntary; however, without it authorization to pledge grain as collateral will be denied. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.</i> Paperwork Reduction Act (PRA) Statement: <i>This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).</i>	
Whereas, Commodity Credit Corporation (CCC) desires to make commodity loans available to individual producers whose grain is commingled with other producer's grain in the same farm storage structure(s) (a):	
The following producers whose signatures appear below are entering into this agreement to store (b) <u>Wheat</u> (Commodity)	
for loan number(s) (c) <u>99-999-XX and 99-999-XX</u> in storage structures designated on CCC-677, Farm Storage Note and Security Agreement and located at the storage locations named on CCC-677. The grain stored in such designated structures will be commingled with other producers' grain. Some of this grain will be pledged as collateral for a CCC commodity loan. All producers who store grain in such designated structures while any part of the grain is pledged as collateral for a CCC loan must sign this agreement. CCC will hold all producers signing this agreement liable for any damage incurred by CCC and each producer signing this agreement acknowledges that they will comply with provisions determined by CCC with respect to any commodity stored in the structures designated on the applicable CCC-677 regardless of whether their share of the commodity is pledged as collateral for a CCC commodity loan.	
(d) Producers (Sign and Date):	
1. Approved for CCC by: /s/ County Office Employee	2. Date (MM-DD-YYYY) 06-30-20XX
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.	
☐ COUNTY OFFICE COPY ☐ PRODUCER COPY	

528 Quantity Determinations**A Maximum Quantity**

The loan quantity for certified or measured farm-stored loans must **not** exceed the allocated quantity on the producer's LDP reasonable quantity record. See subparagraph 230 G for procedure when the loan or LDP quantity exceeds COC maximum established yield.

For maximum quantity limitations for:

- distress loans, see paragraph 1220
- acquired commodities applicable to recourse loans for commodities exceeding the maximum STC moisture levels, see paragraph 1211.

The quantity for measured loans may be based on either of the following:

- measured quantity determined according to paragraph 525
- a quantity that was previously determined by measurement for other program purposes, such as disaster determinations, when COC:
 - has no reason to believe any commodity has been removed
 - determines the commodity is in storable condition
 - documents these facts in the COC minutes.

The mortgaged quantity will be the loan quantity.

528 Quantity Determinations (Continued)

B When to Conduct Moisture Tests

Conduct moisture tests according to the following.

IF...	THEN...
there is reason to believe the moisture exceeds the standard level applicable to the commodity	field representatives will draw samples for moisture testing when completing: • spot checks on farm-stored commodities • measurement service.
moisture problems are known to exist	• COC's may direct field representatives to draw samples for moisture testing • STC's may direct COC's to require moisture testing in 1 or more counties.
	County Offices will determine the moisture content for: • certified loan and LDP requests made in designated areas • measurement service requests • all spot checks.

C Applying Shrink Factor for Excess Moisture

When moisture level is determined, adjust the certified or measured quantity as follows:

- for oilseeds, **except** soybeans, 1.1 times each percent or fraction thereof over the standard moisture percentage in 2-LP Grains and Oilseeds
- for all other commodities, including soybeans, 1.3 times each percent or fraction thereof over the standard moisture percentage in the applicable 2-LP.

See shrink factors in Exhibit 10, as applicable. The factors in Exhibit 10 are not presently in CLPS and County Offices must manually apply the shrink factor for excess moisture before entering the quantity into CLPS.

529 Quality Determinations**A Quality Adjustment**

Quality determinations for test weight are required for farm-stored loans at the time of loan disbursement for:

- certified loans in designated counties
- measurement service.

Use the test weight sample to determine eligibility for nonrecourse or recourse loans for measured commodities at the time of loanmaking.

See subparagraph 528 B for conducting moisture tests.

B Official Quality Determinations

Official quality determinations will **not** be made for farm-stored loans.

530 Reducing Farm-Stored Loan Rates in Designated Areas**A Requesting State Office Approval**

[7 CFR 1421.105] If COC believes CCC's interest would **not** be adequately protected if loans are made for the base county loan rate, COC may request State Office approval for a reduced loan rate for a commodity for:

- the entire county
- designated portions of the county.

The area to be included will be the area where the commodity is produced, **not** where stored.

B State Office Action

State Offices must:

- **not** establish a blanket policy that all farm-stored loan rates be reduced for the State, particular county, or specific area of the State or county
- approve or disapprove COC requests to reduce loan rates to provide CCC with the necessary protection
- notify PSD of COC requests for approved reduction of loan rates for certified loans.

530 Reducing Farm-Stored Loan Rates in Designated Areas (Continued)**C Obtaining Test Weight and Moisture Samples**

If reduced loan rates are approved for designated areas of the county according to subparagraph B, County Offices must obtain a representative sample of the commodity produced in designated areas to determine test weight and, if applicable, moisture according to paragraph 528, for **all** of the following:

- certified farm-stored loan requests
- when completing a measurement service
- when performing a spot check.

Do **not** submit the sample for an official grade.

D Determining Loan Rates

Adjust the reduced base county loan rate according to paragraph 520 with the loan rate for low quality commodities at 20 percent of the loan rate.

E Fails to Meet Nonrecourse Requirements

See recourse provisions in Part 12 for commodities that do **not** meet the minimum eligibility standards because moisture exceeds STC-level or quality makes the commodity ineligible for a nonrecourse loan.

531-539 (Reserved)

Section 3 Warehouse-Stored Loans**540 Warehouse-Stored Loans****A Warehouse Storage**

Warehouse-stored loans are available for commodities stored in approved and authorized warehouses or at the time either of the following occurs:

- warehouse-stored loan is requested
- farm-stored loan collateral is transferred to warehouse storage.

B Approved and Authorized Warehouse Storage

Approved and authorized warehouse storage consists of warehouses that:

- are Federally licensed under USWA
- if **not** Federally licensed, are either of the following:
 - in compliance with State laws in a State with an operating warehouse licensing program and that issue warehouse receipts that meet the criteria for MAL's, as specified in paragraph 548
 - located in a State without an operating warehouse licensing program and have entered into UGRSA with CCC.

An AMS-issued CCC warehouse code is required before producers can submit a request for a loan on commodities store in an approved or authorized warehouse.

541 General Warehouse Policy**A UGRSA Not Required**

Beginning with the 2009 crop year, for MAL loan making purposes, CCC will no longer require the execution of UGRSA by warehouse operators in grain, rice, oilseeds, and pulse crops storage facilities that are either of the following:

- Federally licensed
- in compliance with State laws in a State with an operating warehouse licensing program.

Notes: CCC reserves the right to execute a UGRSA if deemed necessary by AMS to protect CCC's interests.

A warehouse with a State warehouse license and no UGRSA operating in a State listed in subparagraph B **must** request, and receive from AMS, a CCC warehouse code, according to this subparagraph and subparagraph C, **before** producers may request MAL on commodities stored in the facility.

541 General Warehouse Policy (Continued)

B UGRSA Not Required for Federally Licensed Warehouses or in States With an Operating Warehouse Licensing Program

The following are **not** required to execute UGRSA with CCC:

- Federally licensed warehouse operators, regardless of location
- warehouse operators in the following States because they have an operating warehouse licensing program.

State		
Alabama	Kentucky	Ohio
Arkansas	Louisiana	Oklahoma
Colorado	Michigan	South Carolina
Georgia	Minnesota	South Dakota
Idaho	Mississippi	Tennessee
Illinois	Missouri	Texas, except rice <u>1/</u>
Indiana	Montana	Washington
Iowa	Nebraska	Wisconsin
Kansas	North Dakota	Wyoming.

1/ CCC will execute UGRSA in rice warehouses participating in price support programs.

Notes: CCC storage agreements may be required if commodities are forfeited to CCC.

Peanuts must be actually stored in a CCC-approved warehouse operating under an approved Peanut Storage Agreement, according to 2-LP Peanuts, subparagraph 2 B.

A warehouse with a State warehouse license and no UGRSA operating in a State listed in this subparagraph **must** request, and receive from AMS, a CCC warehouse code, according to subparagraphs A and C, **before** producers may request MAL on commodities stored in the facility.

541 General Warehouse Policy (Continued)**C UGRSA Required for States Without an Operating Warehouse Licensing Program**

For MAL loan making purposes, non-Federally licensed warehouse operators in the following States that do **not** have an operating warehouse licensing program, who are interested in providing storage services for commodities with CCC's interest, are **required** to execute UGRSA with CCC for MAL purposes.

State		
Alaska	Maryland	Oregon
Arizona	Massachusetts	Pennsylvania
California	Nevada	Rhode Island
Connecticut	New Hampshire	Utah
Delaware	New Jersey	Vermont
Florida	New Mexico	Virginia
Hawaii	New York	West Virginia.
Maine	North Carolina	

542 Obtaining CCC Warehouse Code in States With an Operating Warehouse Licensing Program

A County Office Responsibilities

For States listed in subparagraph 541 B, County Offices must do the following:

- determine licensing status of all warehouses used by producers in the county by accessing https://publicdashboards.dl.usda.gov/#!/site/MRP_PUB/views/WCMDDashboard/WCMDDashboard

IF the warehouse has a State license and...	THEN...
has an assigned CCC warehouse code	State Office determines whether the warehouse is in good standing and, if good standing is confirmed, proceed as normal.
is not listed on the web site in this subparagraph, and needs an assigned CCC warehouse code	obtain the following from the warehouse and provide to AMS, WLED, SCB through the State Office: - warehouse name - location including county - point of contact - phone number - State licensing number - capacity - FAX number - e-mail address - how commodity is received- truck, rail, and/or barge.

- verify that no duplication of loan benefits occurs, when the warehouse is also a producer, on the same commodity that may already be erroneously under farm-stored loan.

542 Obtaining CCC Warehouse Code in States With an Operating Warehouse Licensing Program (Continued)

B State Office or Designee Responsibilities

State Office must develop, establish, and implement Statewide policy by working with the State licensing authority to assist County Offices to do the following:

- determine good standing status of warehouses
- identify warehouse structures approved under the State licensing authority
- identify when a warehouse changes name and/or ownership
- obtain KC-350 (Grain) or KC-350 (Oilseed), if applicable.

Note: See subparagraph 541 B.

542 Obtaining CCC Warehouse Code in States With an Operating Warehouse Licensing Program (Continued)

C AMS Responsibilities

AMS is responsible for the following:

- *--maintaining authorized list at https://publicdashboards.dl.usda.gov/t/MRP_PUB/views/WCMDDashboard/WCMDDashboard?%3AisGuestRedirectFromVizportal=y&%3Aembed=y of all Federal USWA,--* State, and unlicensed warehouses participating in price support programs
- responding to calls received from State or County Offices and asking for contact warehouse information that includes the following:
 - warehouse name
 - location including county
 - point of contact
 - phone number
 - State licensing number
 - capacity
 - how commodity is received - truck, rail, and/or barge

Note: If County Offices have any questions regarding a specific warehouse code, they must contact their State Office and the State Office can contact AMS.

- contacting the warehouse directly to verify contact information
- assigning CCC warehouse codes
- preparing KC-385 when State-licensed warehouses have merged together under 1 license
- sending notification to the following:
 - inquiring warehouse with CCC warehouse code
 - FSA State Office, Attention: SED
 - applicable PSD program specialist
 - State licensing authority
 - AMS, WLED, SCB, if applicable
 - AMS Fair Trade Program.

Note: This responsibility only applies to States listed under subparagraph 541 B.

543 Requesting Warehouse-Stored Loans**A Warehouse Receipts**

[7 CFR 1421.106] When requesting warehouse-stored loans, producers must present acceptable warehouse receipts from an approved or authorized warehouse, as specified in subparagraph 541 B.

All warehouse receipts must be “negotiable” if a paper receipt, or loanable if an EWR.

CCC-666 must be completed for warehouse loans, for all commodities, **except** cotton and peanuts.

Notes: Warehouse cotton loans are requested on CCC-Cotton A-5.

STC’s may request a DAFP waiver for warehouse stored peanut loan requests.

B Warehouse-Stored Quantity

Warehouse-stored loans stored in an approved warehouse will be limited to 100 percent of the eligible net weight specified on the warehouse receipt or, if applicable, KC-350 (Grain) or KC-350 (Oilseed).

If the quantity on the receipt represents eligible and ineligible quantities, require the producer to obtain a receipt representing only the eligible quantity.

Any cost for replacement receipts will be at the producer’s expense.

543 Requesting Warehouse-Stored Loans (Continued)**C Commodity Loan Eligibility**

To be eligible for CCC commodity loan, the quantity and quality of grain represented by a warehouse receipt **must** reflect the commodity produced and delivered by the producer.

A warehouse loan must **not** be disbursed if the warehouse receipt does not contain all of the required information and is graded correctly according to U. S. Grading Standards.

The required information that a warehouse receipt must contain are listed in subparagraph 548 A. If all the information is not included on the receipt, the loan must **not** be disbursed.

543 Requesting Warehouse-Stored Loans (Continued)

D Loan Rates

CCC will **not** adjust loan rates for warehouse-stored loans using premiums and discounts at loanmaking for any commodities **except** cotton and peanuts. Follow 2-LP Peanuts, 7-CN, and 16-PS for applicable software instructions.

Note: Each producer signing CCC-677 or CCC-678 is jointly and severally liable for repayment of the amount due.

Use the loan rate for the county where the commodity is stored **except** for situations covered in this table.

IF the commodity is warehouse-stored and...	THEN use the loan rate...
stored in a warehouse operating under a merged code agreement	for the location to which the producer delivered the commodity. The warehouse receipt issued under merged warehouse code agreements must show the location and county to which the commodity was delivered.
represented by a warehouse receipt indicating the “grain covered by this receipt has been redeposited”	where the receipt is issued. The commodity is considered stored at the original point of delivery.
physically moved to the warehouse location indicated on the warehouse receipt	for the initial loan.

The loan rate must be adjusted according to subparagraphs 520 C through H.

Note: The loan rate for both farm- and warehouse-stored commodities moved to a new storage location, either farm or warehouse, will remain the same for the entire loan term.

543 Requesting Warehouse-Stored Loans (Continued)**E Handling Charges**

Producers **must** provide acceptable documentation specifying that all in-handling charges have been provided for or paid before either of the following:

- a warehouse-stored loan will be disbursed for the commodity
- recording a settlement of a forfeited farm-stored loan.

Acceptable documentation includes either of the following:

- prepaid in-handling charges recorded directly on the warehouse receipt
- certification signed by the warehouse operator with the following language:

“Arrangements for the payment of all in-handling charges have been made by the depositor of the commodity covered by the receipts numbers (*insert receipt numbers*). No lien will be asserted by the warehouse operator against Commodity Credit Corporation or any subsequent holder of the warehouse receipt for in-handling charges.”

Notes: If using rice EWR's, the prepaid in-handling indicator **must** be set to “Y” to indicate in-handling charges have been provided for or paid for the quantity to be eligible for a warehouse-stored MAL.

Other references for offsets are found in paragraphs 30, 547, and 548.

F Storage Charges

Do **not** require producers to prepay storage charges. However, the producer **must** make arrangements for storage charges through the maturity date of the warehouse-stored loan.

Keep proof of prepaid storage in the producer's loan folder.

543 Requesting Warehouse-Stored Loans (Continued)**G Storage Not Paid Through Maturity of Loan**

If the warehouse receipt does **not** show the storage has been paid through maturity of the loan, the warehouse operator must provide either of the following:

- an endorsement prepared and signed by the warehouse operator on the warehouse receipt or applicable KC-350 (Grain) or KC-350 (Oilseed) indicating storage charges have been prepaid through maturity
- the attached statement cross-referenced to the warehouse receipt and signed by the warehouse operator.

Example: “Storage arrangements have been made by the depositor of the commodity covered by this receipt through (date through which storage has been provided). No lien will be asserted by the warehouse operator against CCC or any subsequent holder of the warehouse receipt for the storage charges that accrued **before** the date forfeited to CCC.”

Note: Do **not** disburse the loan if the warehouse operator fails to provide a **signed** endorsement or statement.

The County Office must **not** reduce the loan rate to reflect storage through maturity date of the loan. The loan rate is **only reduced** if the loan is forfeited and storage charges had **not** been prepaid through maturity.

Note: County loan rates will no longer be reduced at loanmaking to account for unpaid storage charges through maturity.

If a reduction is made at forfeiture, the reduction is computed by multiplying the daily storage rate times the number of days; round the result to the nearest tenth of a cent.

The number of days is determined by the later of the following dates through the maturity date:

- date the commodity was received in the warehouse
- date storage charges started
- date from which storage was provided.

Note: For policy on peanuts, see 2-LP Peanuts.

543 Requesting Warehouse-Stored Loans (Continued)**H EWR**

EWR means receipts authorized by AMS to be issued or transmitted under USWA as electronic documents. The use of EWR's has been approved for specified commodities if issued by an **AMS-approved EWR provider**.

AMS-approved EWR provider means a person or entity that is a disinterested third party authorized and approved by AMS to maintain a confidential and secure electronic EWR system.

EWR-approved commodities include the following:

- cotton (see 7-CN for additional information)
- peanuts (see 2-LP Peanuts for additional information)
- rice (see 2-LP Rice for additional information)
- the following commodities in specified States as part of a trial:
 - wheat
 - corn
 - soybeans
 - grain sorghum.

Note: States approved to process grain EWR will be given the applicable instructions.

544 Quality Determinations**A Basis for Quality Determinations**

The class, grade, grading factors, and all other quality factors will be based on either of the following, as applicable:

- official United States Standards for Grain even if quality determinations are **not** made on the basis of an official inspection
- quality factors determined by CCC for commodities **not** listed in the official United States Standards for Grain.

The warehouse operator will obtain official grade determinations when requested by the producer. However, CCC will **not** pay for official grade determinations.

If the warehouse determines a falling numbers factor for wheat, that number **must** be included in “Other Quality Factors” on:

- the USWA, UGRSA or State authorized warehouse receipt
- CCC-691, Commodity Delivery Notice.

B Upgraded Quality Ineligible

Warehouse receipts that have been upgraded to reflect a better grain and quality than the quality that was delivered by the producer to the warehouse are ineligible for CCC loan whether or **not** the warehouse operator received monetary compensation.

Note: This is considered substitution and substitution is **not** authorized.

545 List of Approved and Authorized Warehouses and List of Warehouse Offer Rates**A Authorized Warehouses**

A current list of approved and authorized UGRSA warehouses, including both Federal and State licensed, and subsequent updates is available at https://publicdashboards.dl.usda.gov/#/site/MRP_PUB/views/WCMDDashboard/WCMDDashboard.

Follow this table when changes occur with approved and authorized warehouses.

IF warehouse is...	THEN...
Federally licensed	no action required.
in a State listed in subparagraph 541 B	FSA State Office will share identified changes with AMS.
in a State listed in subparagraph 541 C	AMS will provide the State Office with a courtesy copy of KC-232 through the National Office.

B Approved and Authorized Warehouse Storage Related Rates

Approved and authorized warehouse storage related rates must be posted in a prominent place in the County Office for public review.

Note: Approved and authorized storage related rates are applicable **only** to Federally licensed warehouses and States listed in subparagraph 541 B.

C Obtaining Storage Related Rates

Storage related rates will be obtained on the FSA Intranet, under “Applications”, and “Grain Warehouse Rates”.

Note: Storage related rates on this web site are applicable **only** to Federally licensed warehouses and States listed in subparagraph 541 B.

546 Storing Warehouse Operator's Responsibilities

A Responsibilities

[7 CFR 1421.107] If the commodity is received by rail or barge, the storing warehouse operator is responsible for:

- determining the in-line routes from the storing warehouse in a manner that will provide the lowest freight rate to be used in commercial trade channels
- preparing KC-350 (Grain) or KC-350 (Oilseed) showing the following:
 - rate of freight paid into the storage point
 - amount of penalty, if any, for outbound transit billing
 - any other information prescribed by CCC
- the accuracy or omission of information on KC-350 (Grain) or KC-350 (Oilseed)
- the liability, if any, as determined by CCC, after CCC receives the warehouse receipt and KC-350 (Grain) or KC-350 (Oilseed).

B Correcting Warehouse Receipts

Any corrections to a warehouse receipt must be made by the warehouse operator issuing the warehouse receipt.

If a warehouse receipt contains incorrect entries:

- do **not** make corrections to the warehouse receipt
- advise the warehouse operator of the errors
- return the warehouse receipt to the warehouse operator for reissuance or correction
- KC-350 (Grain) or KC-350 (Oilseed) **cannot** be used to correct the warehouse receipt.

If any of the required elements of a warehouse receipt are missing or if the commodity is not graded correctly according to the factors for that commodity, the County Office must have the producer return the receipt to the warehouse to be corrected before loan disbursement. Warehouse operators or authorized representatives must initial any pen and ink changes they make on the corrected warehouse receipts.

County Office employees will not make any corrections or edits to the warehouse receipts.

AMS/FTP allows corrections on any area of a paper receipt that was not preprinted.

547 When Warehouse Operator Is Producer

A Applicability

Warehouse-stored loans may be made to a warehouse operator who is operating under subparagraph 540 B provisions and is also the producer under the following conditions:

- in States where it is valid under State law for the warehouse operator to issue and pledge warehouse receipts covering the warehouseman's own commodity
- in any State when the warehouse is operating under USWA.

A warehouse operator, who is also a producer, is **not** eligible for a warehouse-stored loan if:

- there is **not** a State law addressing a warehouse operator issuing and pledging warehouse receipts covering the warehouse operator's **own** commodity
- the warehouse is **not** operating under USWA.

B Verification for States Requiring UGRSA

Through the State Office, the County Office can contact AMS to examine warehouse diagram and WA-302, if applicable, to:

- identify:
 - structures that are approved
 - owner, partners, or officers associated with the warehouse
- verify that no duplication of loans is being made on the same commodity that may be erroneously under farm-stored loan.

Note: If there is a duplication of loans, erroneously made farm-stored loans must have their maturity date accelerated.

If necessary, visit the storage location to determine whether there is:

- loan duplication
- sufficient commodity in proper storage space to cover loan obligations.

547 When Warehouse Operator Is Producer (Continued)**C Verification for States Not Requiring UGRSA**

Through the State licensing authority, the State Office shall assist County Offices in identifying:

- structures that are approved under the applicable State licensing authority
- owner, partners, or officers associated with the warehouse.

County Offices will verify that no duplication of loans is being made on the same commodity that may be erroneously under farm-stored loan.

Note: If there is a duplication of loans, erroneously made farm-stored loans must have their maturity date accelerated.

If necessary, visit the storage location to determine whether there is:

- loan duplication
- sufficient commodity in proper storage space to cover loan obligations.

548 General Warehouse Receipt Requirements**A General Requirements**

[7 CFR 1421.107] All warehouse receipts must:

- represent eligible commodity actually stored in an authorized warehouse
- be a paper receipt, or EWR issued through a AMS-approved EWR provider

Note: All receipts **must** have a valid CCC warehouse code.

- be negotiable, if paper receipt, or loanable, if EWR
- be issued to the eligible producer or CCC, as applicable, or in the case of loans made to CMA's, the receipt should be issued to CMA
- be endorsed on the back by the producer, if receipt is paper
- for EWR's, CCC must be made holder of EWR
- show ownership, if commodity is owned by the warehouse operator, solely, jointly, or in common with others
- contain a statement that commodity is insured.

If the warehouse receipt is accompanied by applicable KC-350, KC-350 must contain the insured statement if **not** stated as such on the warehouse receipt.

548 General Warehouse Receipt Requirements (Continued)**A General Requirements (Continued)**

All warehouse receipts must show **all** of the following:

- type of commodity
- name and location of storing warehouse
- CCC-assigned warehouse code
- warehouse receipt number
- date receipt was issued
- date commodity was deposited or received
- date to which storage has been paid according to subparagraph 543 G **or** storage start date
- whether commodity was received by rail, truck, or barge
- amount per bu. or cwt of prepaid in or out charges
- signature of the warehouse operator or authorized agent
- prepaid in handling charges (if **not** prepaid, a statement **must** be provided according to subparagraph 543 E.)

Note: Grading factors **must** substantiate the grade assigned by the warehouse operator.

548 General Warehouse Receipt Requirements (Continued)**B Merged Warehouse Receipt Requirements**

Warehouse operators operating under a merged warehouse code agreement must show, on warehouse receipts, the location and county to which the producer delivered the commodity.

C Valid CCC Warehouse Codes

Warehouse codes for grains, oilseeds, and rice commodities are 5 digits. When entering the warehouse code in CLPS, employees must enter the number **without** any:

- leading zeros
- dashes.

If the incorrect warehouse code is entered in CLPS, the County Office will be required to correct the loan. The warehouse code entered in CLPS must match the warehouse number on AMS/FTP's UGRSA approved and authorized warehouse list.

If the warehouse code is incorrect on the warehouse receipt, the County Office must contact the warehouse operator and obtain a corrected warehouse receipt.

549 KC-350, Warehouse Operator's Supplemental Certificate**A Attaching KC-350 to Warehouse Receipt**

A warehouse receipt requiring KC-350 must have the applicable KC-350 attached to the warehouse receipt.

Entries on KC-350 (Grain) or KC-350 (Oilseed) supersede entries on the warehouse receipt.

See Warehouseman's Handbook for example of KC-350.

B Receipts Showing Infested or Excess Moisture

Applicable KC-350 **must** show the following information when the warehouse receipt shows that the commodity is infested or contains moisture over the acceptable limit for the commodity.

IF the warehouse receipt shows that the commodity...	THEN applicable KC-350 must show the...
is infested	• same grade without the "infested" designation • same grading factors and quantity shown on the warehouse receipt.
has more moisture than the acceptable limit for the commodity	• grade, grading factors, and quantity after drying or blending • quantity to reflect a minimum shrinkage in the receiving weight, or receiving weight excluding dockage, as applicable, of the applicable shrink factor times the difference in the following: • moisture content when received • acceptable limit for the commodity. The receiving weight: • applies to corn and oats • excluding dockage applies to the following: • barley • grain sorghum • oilseeds • wheat. The moisture shrink factor is: • 1.1 percent for oilseeds, except soybeans • 1.3 percent for all other commodities, including soybeans.

549 KC-350, Warehouse Operator's Supplemental Certificate (Continued)**C Example of Quantity Entries on KC-350 (Grain) for Corn**

If a warehouse receipt shows 33,600 net lbs. of corn with 17.5 percent moisture, the calculation would be as follows:

- 17.5 percent minus 15.5 percent equals 2.0 percent
- 2.0 percent times 1.3 equals 2.6 percent
- 2.6 percent of 33,600 lbs. is 874 lbs.

The quantity shown on KC-350 (Grain) **must not** exceed 33,600 lbs. minus 874 lbs., or 32,726 lbs.

D Example of Quantity Entries on KC-350 (Oilseeds) for Soybeans

If a warehouse receipt shows 60,000 net lbs. of soybeans with 2.2 percent foreign material, the calculation would be as follows:

- 2.2 percent minus 1 percent = 1.2 percent
- 100 percent minus 1.2 percent = 98.8 percent
- 60,000 net lbs. times 98.8 percent = 59,280 net lbs.

The quantity shown on KC-350 (Grain) **must not** exceed 59,280 net lbs.

550 Statement of Charges Attached to Warehouse Receipts**A Applicability**

[7 CFR 1421.107] A separate statement of charges or bill that is **not** part of the warehouse receipt, but is attached to or submitted with the warehouse receipt that indicates charges for other than handling the commodity represented by the warehouse receipt, will:

- be considered an offset amount
- **not** be considered a lien.

Note: Statement of charges or bills **must** be signed by the producer according to subparagraph 504 C.

To ensure that only the appropriate charges are being considered as an offset amount, each State Office **must** submit a list of charges that are normally associated with handling (other than handling) of the commodity to DAFP for concurrence.

Written concurrence **must** be obtained from DAFP before any **new charges** on a statement of charges or bill can be offset.

Note: See subparagraph 30 C.

550 Statement of Charges Attached to Warehouse Receipts**B Handling as an Offset**

The amount of applicable charges shown on the statement of charges or bill will be considered an offset. County Office must record the applicable charges on all CCC-679's required for the producer requesting a loan.

For authorized offsets, complete the lien waiver according to paragraph 504 and insert on all CCC-679's for the producer in item 5, box (c) the following in number:

- (1) enter the total dollar amount of the charges or bills submitted
- (2) enter the date the CCC-679 is prepared
- (3) enter who the authorized offset will be made to and for what charge.

Notes: If the lien holder wants the loan proceeds issued jointly, they must agree to the offset and check box (c), or the loan will **not** be disbursed.

A new CCC-679 from lien holders requesting a joint disbursement of the loan proceeds will be required for each loan request if the lien holder requests to have the balance of the loan proceeds issued jointly.

If the loan is approved, the amount of applicable charges shown on the statement of charges or bill will be handled as an offset for an alternate payee.

Note: For each authorized offset, the payee's TIN and address are required to be entered in Business Partner.

550 Statement of Charges Attached to Warehouse Receipts (Continued)

C Charges Not Handled as an Offset

Producers **must** provide acceptable documentation specifying that **all** in-handling charges have been paid or provided for **before** a warehouse-stored MAL will be disbursed for the commodity, or **before** recording settlement of a forfeited farm-stored loan. Acceptable documentation includes either of the following:

- in-handling charges are recorded directly on the warehouse receipt
- certification signed by the warehouse operator with the following language:

“Arrangements for the payment of all in-handling charges have been made by the depositor of the commodity covered by the receipts numbers (*insert receipt numbers*). No lien will be asserted by the warehouse operator against Commodity Credit Corporation or any subsequent holder of the warehouse receipt for in-handling charges.”

County Offices, CMA’s, and DMA’s must:

- ensure that in-handling charges have been paid or provided for by the producer **before** disbursing funds for a warehouse-stored MAL or recording settlement of a forfeited commodity
- contact the warehouse operator by telephone when specific information related to the in-handling charges is **not** recorded on the warehouse receipt or on acceptable documentation as specified in subparagraph A.

Notes: For forfeited farm-stored commodities, failure to present the required documentation will result in reduction of the producer’s settlement value to reflect the amount of unpaid in-handling charges at the rate provided in the warehouse’s public tariff rates.

A loan disbursement can be offset to provide for charges other than in-handling, if authorized by DAFP, and the warehouse receipt indicates in-handling charges have been provided for or paid.

551 Examining Warehouse Receipts**A Examining Documents**

County Offices must examine each warehouse receipt, KC-350 (Grain) or KC-350 (Oilseed), if applicable, and Federal Grain Inspection Service inspection certificate before loan disbursement for:

- completeness
- errors
- legibility.

If any information on the warehouse receipt is incorrect or otherwise unacceptable the County Office must:

- **not** approve the loan
- require the producer to:
 - return documents to the warehouse operator for correction or completion, if necessary
 - submit acceptable warehouse receipts **before** disbursing the loan.

See subparagraph 546 B for additional information.

B Liens for Charges Indicated on Warehouse Receipt

County Offices must **not** accept, for loan purposes, a warehouse receipt that shows a lien on the commodity for specified charges, such as drying or hauling.

When a warehouse receipt is received showing a lien on the commodity, the County Office must require the producer to provide **either** of the following:

- a replacement receipt showing no liens
- the original receipt showing the charges marked “Paid” and initialed and dated by the warehouse operator.

552 Reporting Lost, Stolen, or Destroyed Warehouse Receipts**A Warehouse Notification**

If warehouse receipts held by County Offices are lost, stolen, or destroyed:

- immediately contact the warehouse operator who issued the receipts
- complete CCC-39, according to subparagraph B, to request issuance of duplicate warehouse receipts
- obtain replacement receipts at CCC's expense, if applicable.

B Completing CCC-39

Complete CCC-39 according to the following.

Items	Instructions
1	County Offices will enter the next consecutive request number.
2	Enter date that the request is prepared.
3	Enter name and address of the warehouse.
4	Enter name and location of the warehouse where the commodity is stored.
5	Enter producer's name to which warehouse receipts were issued.
6	Enter receipt number.
7	Enter quantity of the commodity.
8	Enter commodity.
9	Enter receipt number and date.
10 A and 10 B	Enter name, address, and telephone number of the administrative County Office.
11	CED or COC representative must sign and date.

552 Reporting Lost, Stolen, or Destroyed Warehouse Receipts (Continued)

C Example of CCC-39

The following is an example of CCC-39.

This form is available electronically.					
CCC-39 (12-10-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. REQUEST NO. 1	
REQUEST FOR ISSUANCE OF DUPLICATE WAREHOUSE RECEIPT(S)				2. DATE REQUEST PREPARED (<i>MM-DD-YYYY</i>) 06-0-20XX	
3. NAME AND ADDRESS OF WAREHOUSE Farmers Co-Op Elevator P.O. Box Anytown, IA 99999-9999			4. NAME AND LOCATION OF WAREHOUSE WHERE STORED Farmers Co-Op Elevator North Beach Anytown, IA 99999-9999		
The warehouse receipt(s) described below and/or on the attached listing of warehouse receipt(s), issued by the warehouse operator described above, has (<i>have</i>) been lost, misplaced, or destroyed. Since the Commodity Credit Corporation (<i>hereinafter referred to as "CCC"</i>) is entitled to the possession of such receipt(s) and after diligent effort cannot produce such receipt(s), the request is hereby made for the issuance of duplicate receipt(s) for delivery to CCC.					
ORIGINAL WAREHOUSE RECEIPTS LOST, MISPLACED, OR DESTROYED					
5. ISSUED TO		6. RECEIPT NO.	7. QUANTITY (Bu., Cwt., or Bales)	8. COMMODITY	
County Producer		99999	5,000 BU	Soybeans	
9. INDEMNITY AGREEMENT					
In consideration of the issuance and delivery to CCC (<i>at the address shown below</i>) of a new warehouse receipt(s) marked "Duplicate in lieu of lost, misplaced or destroyed receipt No. 99999 dated 12-04-20XX", CCC hereby agrees to indemnify, protect, and hold harmless the warehouse operator and the warehouse operator's successors and assigns from any liability or expense which the warehouse operator may incur by reason of the original receipt(s) remaining outstanding. (<i>MM-DD-YYYY</i>)					
It will be expressly understood and agreed by the acceptance of this Indemnity Agreement and the issuance of duplicate warehouse receipt(s) that any State or local regulatory rule or law which is inconsistent with this Indemnity Agreement shall not be applicable. Section 4(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. Section 714b(g)) provides in part: "State and local regulatory laws or rules shall not be applicable with respect to contracts or agreements of the Corporation or the parties thereto to the extent that such contracts or agreements provide that such laws or rules shall not be applicable, or to the extent that such laws or rules are inconsistent with such contracts or agreements."					
This indemnification agreement shall become null and void if, and when, the original receipt(s) is found and delivered to the warehouse operator for cancellation.					
10A. NAME AND ADDRESS OF FSA OFFICE Any County FSA Office 999 Main St. Town, State 99999-9999			11. COMMODITY CREDIT CORPORATION A. BY /s/ Office Mgr. CED _____ B. DATED (<i>MM-DD-YYYY</i>) 06-10-20XX _____		
10B. TELEPHONE NO. (<i>Including Area Code</i>) 999-999-9999					
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.asr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9902. Submit your completed form or letter to USDA by: (1) mail; U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.					

Part 6 Relocating Loan Collateral**Section 1 Handling Farm-Stored Loans****600 Commingling and Commodity Movement on Farm****A General Provisions**

Producers may, to efficiently use storage space and manage commodity inventory:

- move loan collateral from 1 farm storage structure to another
- commingle commodities according to subparagraph B.

Note: County Offices must ensure that CCC's liens are perfected for farm-stored loan collateral moved to another county or State.

B Commingled Commodities

Commingled commodities may:

- be **any** of the following:
 - eligible or ineligible
 - same or different crop years
 - for same or different producers
 - collateral for nonrecourse or recourse loans
 - LDP quantities
 - different classes, except for wheat
 - different quality
- **not** be either of the following:
 - processed and unprocessed commodities
 - different commodities, such as wheat with corn.

600 Commingling and Commodity Movement on Farm (Continued)**C Request to Move or Commingle Loan Collateral**

Producers who have **not** previously designated additional storage structures, according to paragraph 526, on CCC-666 or CCC-677 must request COC approval on CCC-687-1 **before**:

- moving loan collateral from 1 designated storage structure to another nondesignated storage structure
- commingling loan collateral.

See subparagraph D for completing CCC-687-1 to document and approve producer's request to move or commingle commodities.

When the request to move loan collateral to a specific structure is approved on CCC-687-1, the structure will be considered designated.

Measurement before and after moving or commingling the commodity is **not** required. However, if the producer requests measurement service to accurately determine the quantity before and after moving or commingling the commodity, the County Office will charge the producer for services performed.

600 Commingling and Commodity Movement on Farm (Continued)**D Completing CCC-687-1**

County Offices will document and approve producer requests to move or commingle commodities on CCC-687-1. Complete CCC-687-1 according to this table.

Item	Instructions
1	Enter commodity applicable to the loan.
2	Enter contact producer's name and address.
3	Enter County Office name, address, and telephone number.
4	Enter seal number applicable to the commodity being moved or commingled.
5	Enter same seal number as in item 4 for commingling. Enter the new seal number if the commodity is being moved.
6	Enter loan number.
7	Enter crop year applicable to seal number.
8	Enter loan quantity applicable to seal number.
9A	Document the activity that will be taken about the applicable seal numbers.
9B	If the request is received from the producer: • by telephone, indicate "received by telephone" and date of request • in person, obtain producer's signature and date of request. See the example shown in this subparagraph.
10A	Obtain appropriate approval signature.
10B	Enter approval date.

Maintain a copy of CCC-687-1 in the producer's loan folder and provide a copy to the producer.

E Example of CCC-687-1 (Continued)

The following example shows the mortgaged commodity being commingled with wheat of the same class and comparable quality. The quantity under loan had been measured previously.

This form is available electronically. CCC-687-1 (09-28-10)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. COMMODITY Wheat	
APPROVAL TO COMMINGLE OR MOVE LOAN COLLATERAL					
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, the Commodity Credit Corporation Charter Act (15 U.S.C., 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to monitor collateral placed under loan in the CCC commodity loan program. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to commingle or move the loan collateral commodity.					
This information collection is exempted from the Paperwork Reduction Act, as it is required for administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F- Administration). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE					
2. NAME AND MAILING ADDRESS OF APPLICANT Able Farmer 9999 Any Road Town, State 99999-9999			3. COUNTY FSA OFFICE ADDRESS Any County FSA Office 999 Any Road Town, State 99999-9999 TELEPHONE NO. (Including Area Code): (999) 999-9999		
Permission has been requested and approval granted for the producer to move his or her grain under loan as shown below.					
SEAL NUMBER		6. LOAN NO.	7. CROP YEAR	8. QUANTITY	
4. PRESENT	5. NEW				
Wht-XX-99-9	Wht-XX-99-9	99-999-99	20XX	596	
9A. ACTIVITY TO BE CARRIED OUT About 1,800 bushels of 20XX wheat not under loan to be commingled with Seal No. X.					
9B. SIGNATURE Request received by phone.				9C. Date (MM-DD-YYYY) 06-01-20XX	
10A. APPROVED FOR COUNTY FSA COMMITTEE BY /s/ Office Mgr, CED				10B. Date (MM-DD-YYYY) 06-01-20XX	
The U.S. Department of Agriculture (USDA) prohibits discrimination in all of 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.					
☐ County Office Copy		☐ Producer's Copy		☐ Loan Inspector's Copy	

600 Commingling and Commodity Movement on Farm (Continued)**F Commingling Eligible and Ineligible Commodities**

If eligible or ineligible commodities are commingled, a loan may be disbursed on the **eligible** commodity if the producer designated all structures that may be used for storage of the loan collateral

Note: If a purchased commodity is involved, purchase invoices or scale tickets **must** be provided.

COC determines that the eligible production claimed by the producer is reasonable in relation to the crop production practices on the respective farms.

Reminder: Do **not** accept the ineligible production in settlement of the loan.

G Commingling Commodities With Other Producer's Commodity

Producers whose commodities are stored commingled in a storage structure may obtain separate CCC loans if **all** producers sign CCC-665 according to paragraph 527.

H Initiating Movement on Nonworkday

Producers may initiate farm-stored loan collateral movement to nondesignated structures on nonworkdays, without prior written approval, if **both** of the following apply:

- producer files CCC-687-1 for approving this movement on the next workday
- request meets current program provisions about approved storage and eligible commodity.

I Commingling Additional Eligible Quantity With Mortgaged Quantity

A producer may add an additional eligible quantity to a designated structure that contains outstanding loan collateral.

If a request is made for a loan on the additional eligible quantity, the loan will:

- be a new loan
- **not** be considered an additional disbursement to the original loan.

Note: Additional disbursements to a disbursed loan are not permitted.

601-612 (Reserved)

Section 2 Transfers**613 Transferring Commodities****A Transfer Availability**

Producers may maintain the quality of commodities under nonrecourse or recourse loans by transferring loan collateral from either of the existing storage locations:

- farm storage to warehouse storage
- warehouse storage to farm storage.

See Section 3 for reconcentration provisions.

B Transfer Provisions

For requests to transfer loan collateral from existing storage locations, County Offices will follow paragraph:

- 614 for completing CCC-681
- 615 for farm storage to warehouse storage provisions
- 616 for remaining farm-stored loan quantity after partial transfer to warehouse storage
- 617 for warehouse storage to farm storage provisions.
- 716 for situations where the CCC-697 is active after the transfer.

614 Completing CCC-681's for Authorization to Move Loan Collateral for Transfer**A Using CCC-681's**

CCC-681-1 may be processed in CLPS.

Use CCC-681 for physical transfer of loan collateral to alternate storage site. Items 1 through 5 are self-explanatory.

B Part A, Authorization for Transfer of Loan Collateral to Alternate Storage Site

Complete Part A, according to this table, for all requests to move loan collateral from farm-to-warehouse or warehouse-to-farm storage.

Item	Instructions
1	Enter name, address, phone and fax number of the County FSA Office.
2	Enter the name and address of the contact producer on this loan.
3	Enter the State and County code and loan number.
4	Enter the crop year.
5A	Enter the commodity.
5B	Enter the class for wheat only. No entry is needed for any other commodity.
PART A	
6	Enter location, as applicable, where commodity will be moved for storage as follows: • name and address of authorized warehouse • location of the farm storage.
7	Enter seal numbers or warehouse receipt numbers to be transferred. No entry is required if the entire outstanding loan collateral is being transferred.
8	Enter entire outstanding loan quantity or any portion of the entire outstanding loan quantity to be transferred. Notes: For warehouse-to-farm transfers, the quantity entered must not be less than the quantity for the warehouse receipt number entered in item 7. For farm-to-warehouse transfers, the quantity cannot exceed the outstanding loan quantity.
9 and 10	Leave blank.
PART B	
11 A - C	Producer must read "Producer's Statement", "Producer's Certification" in Part C, and sign and date the request. If signing in a representative capacity, enter the relationship. This may be accepted by phone and/or mailed to the producer for signature. Producer's signature is required before the authorization expires.
12 A and B	Enter approval for COC and date of approval.
13	Enter date 15 calendar days from date of approval, but no later than the applicable loan maturity date.

614 Completing CCC-681's for Authorization to Move Loan Collateral for Transfer (Continued)

C Example of CCC-681 to Transfer Loan Collateral

The following is an example of a completed CCC-681 to transfer farm-stored loan collateral to warehouse storage.

This form is available electronically.		Page of	
CCC-681 U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation AUTHORIZATION TO MOVE LOAN COLLATERAL OR DESIGNATE ADDITIONAL STORAGE		1. RETURN TO: (County FSA Office Name and Address) Any County FSA Office 999 Any RD Town, State 99999-9999 Telephone No. (Include Area Code): 999-999-9999 Fax No. (Include Area Code): 999-999-9999	
2. Name and Address of Contact Producer Able Farmer 9999 Any RD Town, State 99999-9999 Telephone No. (Include Area Code):		3. ST. & CO. Codes and Loan No. xx-xxx-xxxx 4. Crop Year 20XX 5A. Commodity Wheat 5B. Class (Wheat only) 5 RW	
6. Action To Be Carried Out: (Check one) ☐ A. Farm to Warehouse Transfer ☐ B. Additional Storage Designation		7. Quantity to Transfer (applicable to Item 6A) 10,000.00 BU	
PART A - AUTHORIZATION FOR TRANSFER COLLATERAL TO ALTERNATE SITE			
8. Transfer Location (Name and Address) County CO-OP Warehouse 99 Main RD Town, State 99999-9999 Telephone No. (Include Area Code):		FOR TRANSFER TO WAREHOUSE STORAGE: Upon completion of delivery, forward warehouse receipt(s) for quantity stored to County FSA Office listed in Item 1.	
PART B - AUTHORIZATION TO MOVE, COMINGLE COLLATERAL, OR DESIGNATE ADDITIONAL STORAGE			
Permission has been requested to allow the producer in Item 2 to move, commingle, or designate alternate storage structures for commodity under loan as shown below.			
9A. Current		9B. New Storage Location (For CCC Use Only)	
(1) Seal Number	(2) Quantity	(1) Seal Number	(2) Description
PART C - PRODUCER'S STATEMENT			
<i>I, the producer named in Item 2 of this authorization, understand that for a request approved under Part A or Part B, I may transfer, by physical movement, a quantity of my loan collateral to an alternate storage site. I further understand, for requests approved under Part A that a) loan collateral transferred must be positioned in an eligible storage location by the date shown in Item 12; b) I shall notify the County Office named in Item 1, immediately after eligible stocks are in position in an authorized storage location; and c) to the extent the quantity of commodity that is transferred is insufficient to secure the existing loan obligation, I agree to repay applicable principal and charges, plus interest.</i>			
10A. Producer's Signature (By)		10B. Title/Relationship of the Individual Signing in the Representative Capacity Self	10C. Date (MM-DD-YYYY) 09-21-20XX
PART D - CCC APPROVAL (FOR CCC USE ONLY)			
11A. Name of CCC Representative (Print)		11B. Signature of CCC Representative	12. Authorization Expires On: (MM-DD-YYYY)
11C. Title/Position of CCC Representative		11D. Date (MM-DD-YYYY)	
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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334), 7 CFR Part 1405 and 7 CFR Part 1421. The information will be used to request authorization to move CCC loan collateral for rotation or transfer. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a denial of authorization to move CCC loan collateral for rotation or transfer.			
Paperwork Reduction Act (PRA) Statement: The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE			
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.			
Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.			
To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.			

615 Transferring Loans From Farm Storage to Warehouse Storage**A Authorization**

County Offices may complete CCC-681 to authorize the transfer of farm-stored loan collateral to warehouse storage if **all** of the following can be accomplished within 15 calendar days of the transfer, but no later than the maturity date:

- complete the movement of collateral to the warehouse
- return the warehouse receipts to the County Office
- provide all applicable signatures on new loan documents.

B Maturity Date and Loan Rate

The loan maturity date for the warehouse-stored loan will be the same date as the farm-stored loan maturity date.

The loan rate for the new warehouse-stored loan will be the same rate as the farm-stored loan.

C Warehouse Charges

The producer **must** provide for warehouse charges according to Part 5, Section 3, which include but are not limited to all in-charges and storage through the loan maturity date.

D Definition of Transferred Loan Quantity

Transferred loan quantity, for farm to warehouse transfers, is the loan quantity liquidated from the farm-stored loan and must not be greater than the outstanding farm stored quantity.

615 Transferring Loans From Farm Storage to Warehouse Storage (Continued)**E Maximum Transferred Quantity**

Warehouse-stored loan quantities, resulting from farm-to-warehouse transfers, will **not** exceed 100 percent of the **transferred** farm-stored loan quantity.

Note: If transferred within the loan availability period, a **new** loan or LDP may be requested on the eligible quantity exceeding 100 percent of the transferred farm-stored loan quantity.

F Transferring Entire Loan Quantity

When the **entire** farm-stored loan quantity is transferred to warehouse storage, the transferred loan quantity is the outstanding farm-stored loan quantity **before** the transfer.

The warehouse-stored loan quantity is the quantity delivered to the warehouse, **not** to exceed 100 percent of the outstanding farm-stored loan quantity **before** the transfer.

615 Transferring Loans From Farm Storage to Warehouse Storage (Continued)

G Partial Transfer of the Loan Quantity

When **part** of the loan quantity is transferred, the transferred loan quantity is the quantity delivered to the warehouse. Accordingly the:

- farm-stored loan quantity **after** the transfer is the difference between the following:
 - farm-stored loan quantity before the transfer
 - quantity delivered to the warehouse

Note: The remaining farm-stored loan quantity is subject to spot check. See subparagraph 317 D for tolerance levels when shortages are discovered after partial transfers were approved according to this subparagraph.

- warehouse-stored loan will be the quantity delivered from the farm to the warehouse and will **not** result in an additional disbursement for an additional quantity or higher loan rate because of the loan rate of the warehouse location.

Notes: The loan rate for the new warehouse-stored loan will be the same rate as the farm-stored loan.

For partial transfers, the total remaining farm-stored quantity added to the new warehouse-stored quantity should equal the outstanding farm-stored quantity before the transfer.

H Completing Transfer

Complete the farm-to-warehouse transfer through CLPS according to 16-PS:

- for the quantity and quality shown on the warehouse receipt and, if applicable, KC-350 (Grain) or KC-350 (Oilseed)

Note: Quantity **cannot** be greater than the quantity that was under the applicable farm-stored loan.

- loan service fees apply to new warehouse loan(s) according to subparagraph 506 B and receivables will be established which must be paid for by the producer.

All producers who signed CCC-677 must endorse the warehouse receipts and sign CCC-678 generated through CLPS within 15 calendar days of the transfer, but **no** later than the loan maturity date.

615 Transferring Loans From Farm Storage to Warehouse Storage (Continued)**I Commodity Transferred**

When the loan collateral is transferred to warehouse storage and the grading indicate the commodity is ineligible for a nonrecourse loan at the full loan rate, notify the producer of the choice to adjust the loan rate to 20 percent of the loan rate according to subparagraph 520 D to continue the nonrecourse loan.

Note: For wheat, do **not** adjust the loan rate to 20 percent of the loan rate if the **only** discount on the additional schedule of discounts is for falling numbers. See information on falling number discounts for wheat in 2-LP Grains and Oilseeds.

Complete the conversion to a recourse loan according to Part 12 and the following:

- cancel the original farm-stored loan using instructions in 16-PS and PS directives
- a receivable will automatically be created in NRRS
- re-enter as a recourse farm-stored loan according to 16-PS
- NRRS will automatically apply the proceeds of the new loan to the receivable created when the original nonrecourse loan was reversed
- any outstanding amount still owed will remain as an outstanding receivable and will be processed in the normal manner according to 64-FI.

For non-recourse loans forfeited to CCC, **only at forfeiture** adjust the loan rate for **all** the quality factors recorded on the warehouse receipt using the appropriate discounts in the applicable 2-LP.

Note: Do **not** adjust the loan rate for quality factors when disbursing the warehouse-stored loan.

616 Remaining Farm-Stored Loan Quantity After Partial Transfer

A When Measured Quantity Is Less Than the Loan Quantity

The producer is liable for the remaining farm-stored loan quantity which is subject to spot check. When a spot check reveals the measured quantity is **less** than the remaining farm-stored loan quantity:

- do **not** require immediate repayment of the apparent quantity shortage, if the measured quantity is within 10 percent of the **remaining** farm-stored loan quantity
- COC will **not** consider the loan quantity to be incorrectly certified (violation) if the total quantity, which is the sum of the warehouse-stored loan quantity and the measured quantity, is within 10 percent of the farm-stored loan quantity before the transfer.

COC will consider a violation occurred if COC determines unauthorized removal or unauthorized disposition according to Part 4.

B Example of Measured Quantity Less Than Loan Quantity

Producer obtained a certified farm-stored loan on 10,000 bu. of wheat and later transferred 8,500 bu. to a warehouse-stored loan.

The remaining farm-stored loan quantity is 1,500 bu. A current spot check reveals a measured quantity of 1,200 bu., resulting in a quantity shortage of 300 bu. COC determines that unauthorized removal or unauthorized disposition did **not** occur.

In this example, the producer:

- **must** immediately repay the apparent quantity shortage of 300 bu., because the measured quantity is **not** within 10 percent of the farm-stored loan quantity (1,500 bu. x 90 percent = 1,350 bu.)
- is **not** considered to be in violation, because the total quantity of 9,700 bu. (8,500 bu. warehouse-stored plus 1,200 bu. measured) is within 10 percent of the farm-stored loan quantity before the transfer (10,000 bu. x 90 percent = 9,000 bu.).

617 Transferring Loans From Warehouse Storage to Farm Storage

A Authorization

County Offices may authorize transfer of warehouse-stored loan collateral to farm storage **only**:

- after the following occur:
 - CCC-10 is filed if not already on file
 - UCC-1 is filed
 - lien search is completed
 - producer provides the applicable CCC-679's
- if the following can be accomplished by the maturity date:
 - complete the movement and placement of collateral in eligible farm storage
 - provide all applicable signatures on the new loan document.

Complete and issue CCC-681, Part A according to paragraph 614.

B Releasing Warehouse Receipts

County Offices will release warehouse receipts to the producer after:

- producer has signed the CCC-681
- advising the warehouse of the pending transfer
- receiving written agreement from the producer that the:
 - receipt will be delivered to the warehouse
 - commodity will be moved to eligible farm storage
 - County Office will be notified as soon as the commodity is in place on the farm
 - producer will provide a copy of scale tickets from the warehouse.

617 Transferring Loans From Warehouse Storage to Farm Storage (Continued)**C Quantity Limitations**

The farm-stored loan quantity **cannot exceed** the warehouse-stored loan quantity transferred, rounded to the next higher whole unit of measure.

See subparagraph E for measuring farm-stored collateral.

D Maturity Date

The loan maturity date for the farm-stored loan will be the same date as the warehouse stored loan maturity date.

E Measurement After Transfer

After the collateral has been moved to eligible farm storage:

- perform a measurement service at the producer's expense
- use the scale ticket quantity if COC determines the weighed quantity on the documentation more accurately reflects the quantity in farm storage.

County Offices must:

- review entries on CCC-677-1
- note any comments entered by the commodity inspector.

617 Transferring Loans From Warehouse Storage to Farm Storage (Continued)

F Completing Transfer

Contact PDD to complete the warehouse-to-farm transfer through CLPS:

- if data is complete and accurate
- entering measurements or weighed quantity in whole units, as applicable
- loan service fees apply according to Part 5
- assessment must be cancelled or adjusted.

All producers who signed CCC-678 must sign CCC-677 generated through CLPS within 15 calendar days but no later than the maturity date. If a producer fails to timely sign a CCC-677, use the notification and demand letters in Exhibit 5, requiring repayment of the loan.

G Overdisbursement

All producers on a loan are responsible for any shortage in a transfer of a commodity from farm to warehouse or warehouse to farm.

Use the notification and demand letters in Exhibit 5, subparagraph F to require repayment of the overdisbursement and interest.

H When Measured Quantity Is Less Than Transferred Quantity

If the measured quantity is:

- 90 percent or more of the transferred warehouse-stored loan quantity, take no action unless COC determines a loan violation occurred
- less than 90 percent of the transferred warehouse-stored loan quantity, COC will determine whether a loan violation has occurred according to Part 4.

618-626 (Reserved)

Section 3 Reconcentrating Warehouse-Stored Loans**627 Reconcentrating Loan Collateral****A Requesting Reconcentration**

Warehouse operators with producer's concurrence, may request authorization from CCC to reconcentrate loan collateral between warehouses using CCC-699. See paragraph 628 for completing CCC-699.

Both the warehouse operator and the producer must sign the CCC-699.

B General Provisions

The following provisions apply to reconcentrating loan collateral:

- reconcentration **must** be to an in-line location

Note: The commodity movement will be considered “in-line” if the commodity is physically moved to a warehouse in the line of normal trade channels and commerce for the commodity.

- the loan rate will be the same as the loan rate on the original loan
- County Offices will **not** approve reconcentration requests when any of the following apply:
 - movement is determined **not** to be in the best interest of CCC and the producer
 - movement is **not** “in-line”
 - requests are submitted within 30 calendar days of the loan maturity date
- if producers have an approved CCC-697 locking in a repayment rate for the loan commodity, the same lock-in rate is applicable to quantity reconcentrated and the new warehouse receipts must be issued for the quantity requested on the CCC-697's.

628 Completing CCC-699's

A Instructions for CCC-699

The appropriate office/official will complete CCC-699 according to this table.

Appropriate Office/Official	Part	Item	Instructions
Warehouse Operator will complete the following items and deliver to the County Office holding the warehouse receipts.		1	Enter name, address and telephone number of FSA County Office holding the warehouse receipts.
	A	(a)	Enter name of commodity to be reconcentrated.
		(b)	Enter crop year of the commodity loan.
		(c)	Enter name of producer.
	B	3	Enter warehouse receipt number using a separate line for each warehouse receipt to be reconcentrated.
		4 through 6	Enter quantity, grade, and grading factors, as applicable, from copy of the warehouse receipt.
		7	Authorized warehouse official must sign and date.
		8	Enter name of shipping warehouse.
		10	Obtain producer's signature and date.
County Office	B	(d)	Enter name and location of shipping warehouse.
		(e)	Enter name and location of receiving warehouse.
		2	Enter loan number applicable to the warehouse receipt pledged as collateral. Reminder: Before approval, verify all entries with County Office records to ensure the entries are correct and the commodity is eligible for reconcentration.
		9	Enter date warehouse receipts were received by warehouse operator.
		11	Obtain authorized COC signature of approval and date.

628 Completing CCC-699's (Continued)

B Example of CCC-699

The following is an example of CCC-699, page 1.

This form is available electronically. (See Page 2 for Privacy Act and Paperwork Reduction Act Statements)

CCC-699 (09-05-19)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	1A. NAME AND ADDRESS OF COUNTY FSA OFFICE Any County Office 999 Any Rd. Town, ST 99999-9999
RECONCENTRATION AGREEMENT AND TRUST RECEIPT		1B. Telephone Number (Including Area Code): 999-999-9999

PART A – RECONCENTRATION AGREEMENT

WHEREAS, certain (a) Wheat (the commodity) of the (b) 20XX crop year is in storage at a warehouse operated by the undersigned warehouse operator (the shipping warehouse operator) and has been pledged to Commodity Credit Corporation (CCC) by (c) Able Farmer (the producer) as collateral for a CCC commodity loan;

WHEREAS, the warehouse receipt(s) issued by the shipping warehouse operator for the commodity, as listed in Part B below, are in the possession of CCC as collateral for the repayment of the loan made by CCC,

WHEREAS, the producer and the shipping warehouse operator desire to move the commodity evidenced by such warehouse receipt(s) from the present warehouse where the commodity is now stored to a subsequent warehouse that is in line for normal marketing without interfering with or abridging CCC's security interest in the collateral, and

WHEREAS, CCC has no objection to such movement of the commodity providing the move is without interference with or abridgement of CCC's interest therein,

NOW, THEREFORE, the shipping warehouse operator, the producer, and CCC agree to the Terms and Conditions set forth on Page 2 of this document as follows:

PART B – TRUST RECEIPT

RECEIVED IN TRUST from CCC, the warehouse receipt(s) listed below held by CCC as collateral security for the repayment of the loan made by CCC to the producer named above on the commodity represented by such receipt(s) pursuant to the commodity loan program for the crop year specified above. In consideration thereof, the shipping warehouse operator agrees to hold the warehouse receipt(s) in trust for CCC and further agrees to return to CCC new warehouse receipt(s) issued by the subsequent warehouse listed below representing the commodity within 30 days after the date of the approval of the trust agreement by CCC, (or such extension of time as may be granted by CCC), unless the commodity has been redeemed.

The warehouse receipt(s) are being released to the shipping warehouse operator for the purpose of moving the commodity represented by such receipt(s) from the present warehouse operated by the shipping warehouse operator at (d) 100 Any R d., Town, ST. (present warehouse name and location) to (e) 100 Any R d., Town, ST. (subsequent warehouse name and location) and replacing such receipt(s) with new receipt(s) issued by the subsequent warehouse operator. It is agreed that the undersigned must not, under any circumstances whatsoever, repledge such warehouse receipt(s) or use or dispose of such receipt(s) other than as authorized herein. The subsequent warehouse must be listed on the list of authorized warehouses.

CCC may, at any time before replacement by the undersigned of such warehouse receipt(s), cancel this trust and take possession of the receipt(s), the commodity represented thereby, or the proceeds therefrom.

The intention of this trust receipt is to protect and preserve unimpaired the lien of CCC on such warehouse receipt(s) as security for the obligations of the producer under the commodity loan regulations.

2. LOAN NUMBER	3. WAREHOUSE RECEIPT NUMBERS	4. QUANTITY	5. GRADE	6. GRADE FACTORS INCLUDING PROTEIN
99-999-999	100	5,100.5 BU	No. 2	TW 58 Prot. 10

7A. SIGNATURE OF SHIPPING WAREHOUSE OPERATOR /s/ Warehouse Operator, Mgr.	7B. DATE (MM-DD-YYYY) 10-01-20XX	8. NAME OF PRESENT WAREHOUSE County Coop Warehouse	9. DATE WAREHOUSE RECEIPTS RECEIVED (MM-DD-YYYY) 10-07-20XX
10A. SIGNATURE OF PRODUCER /s/ Able Farmer.	10B. DATE (MM-DD-YYYY) 9-25-20XX	11A. COMMODITY CREDIT CORPORATION BY /s/ County Office Employee	11B. DATE (MM-DD-YYYY) 10-07-20XX

☐ ORIGINAL
 ☐ WAREHOUSE OPERATOR'S COPY
 ☐ PRODUCER'S COPY
 ☐ COUNTY OFFICE COPY

628 Completing CCC-699's (Continued)

B Example of CCC-699 (Continued)

The following is an example of CCC-699, page 2.

CCC-699 (09-05-19)	Page 2 of 2
TERMS AND CONDITIONS	
1. CCC agrees, upon execution by the warehouse operator of Part B on the Page 1 of this document, to surrender the warehouse receipt(s) listed in Part B and authorizes the shipping warehouse operator to move the commodity from the warehouse listed on the front of this document to the subsequent warehouse identified in Part B. The producer and the shipping warehouse operator request that such receipt(s) be released by CCC to the shipping warehouse operator to be held in trust for CCC. The shipping warehouse operator agrees that the commodity represented by such receipt(s) shall be held in trust for and subject to the security interest of CCC in such commodity and that the shipping warehouse operator's possession is solely for the purpose of prompt transportation of the commodity from the warehouse in which it is stored to the warehouse to which it is to be delivered. 2. The shipping warehouse operator agrees to obtain warehouse receipt(s) from the subsequent warehouse representing the same quantity and quality of the commodity and indicating storage has been paid or provided for to the same date as shown on the original receipt(s) or supplemental documents, issued to the order of the producer or CCC and agrees to furnish such warehouse receipt(s) to CCC within 30 days after the date of the approval of the trust agreement by CCC, (or such extension of time as may be granted in writing by CCC) unless the producer has redeemed the commodity. The producer must endorse such receipt(s) if they are not issued to the order of CCC. 3. The producer and the shipping warehouse operator agree that they will be liable to CCC as an insurer for any loss in quantity or quality (including protein content of wheat) of the commodity from the time it is loaded out of the present warehouse until it is deposited in the subsequent warehouse. Liability for any loss in quantity or quality will be resolved between the shipping warehouse operator and the producer. The shipping warehouse operator is responsible for filing claims against carriers for losses in transit. 4. The commodity may be redeemed by the producer by paying principal and charges, plus interest or, if applicable, at a CCC-determined rate with cash, to CCC before the time the new warehouse receipt(s) are furnished to CCC. 5. The shipping warehouse operator agrees that the commodity will be insured in the name of CCC or on its behalf, against the hazards for which insurance is required under either the Uniform Grain and Rice Storage Agreement or the State Warehouse Licensing Authority and for loss or damages from collision and related hazards while in transit, or obtain a bond or other security instrument which will protect the commodity against such loss or damages, from the time the commodity is loaded out of the present warehouse until it is deposited in the subsequent warehouse. 6. The movement and transportation of any commodity pledged as collateral for CCC commodity loans must be without cost to CCC. 7. CCC will issue and the producer agrees to execute any new loan documents which CCC may require. Applicable loan service fees will be charged to the producer. New loan values will be computed as follows. A. The loan rate established by CCC for the commodity for the county where the commodity is stored. 8. The producer and the shipping warehouse operator warrant and agree to keep the commodity free from adverse liens while in transit.	
NOTE: The following statement is made in accordance with the Privacy Act of 1971 (5 USC 552a – as amended). The authority for requesting the information identified on this form is the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1421. The information will be used to monitor collateral placed under loan in the CCC commodity loan program. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDS/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to move the loan collateral commodity from the present warehouse to subsequent warehouse. Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.	
<i>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</i> <i>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</i> <i>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</i>	

629 Releasing Warehouse Receipts**A Warehouse Receipts**

After CCC-699 is approved:

- make copies of warehouse receipts and attach original CCC-699 in County Office
- attach original warehouse receipts to warehouse operator's copy of CCC-699.

B Distributing CCC-699

County Offices will:

- keep original CCC-699 in County Office security file
- send warehouse operator's copy and original warehouse receipts to warehouse
- send producer's copy to producer
- file County Office copy with copies of applicable warehouse receipts in producer's loan folder and file folder in suspense file.

Follow up to ensure that:

- the commodity will be reconcentrated
- new receipts are received in the County Office within 30 calendar days from date of approval.

C Extending CCC-699

County Offices may extend CCC-699 **only** if the delay is beyond the warehouse operator's control.

CCC-699 must **not** be extended beyond the loan maturity date.

630 Replacement Warehouse Receipts

A Reviewing Warehouse Receipts

After receiving replacement warehouse receipts, County Offices must:

- review warehouse receipts for completeness
- ensure that:
 - receipts are provided for those released in trust
 - quantities do **not** exceed quantities applicable to the original warehouse receipts on CCC-699
 - the producer has endorsed the replacement receipts to vest title in CCC
 - commodity is of the same class as the commodity that was released in trust
 - losses in quantity and quality have been resolved between warehouse operator and producer.

B Processing New Loan

County Offices will:

- cancel the original loan in CLPS according to 16-PS and PS directives
- process reconcentrations as a new loan using the instructions for a warehouse-to-warehouse transfer
- loan service fees apply to reconcentrations according to Part 5
- assessment fees apply to reconcentrations

Note: When the original loan is cancelled in CLPS, the assessments fees are reversed and receivables established. When the new loan is processed, new assessment fees will apply.

- for amounts due CCC, see paragraph 31
- obtain applicable producer's signatures on new loan agreement and the warehouse receipts within 15 calendar days, but **no** later than the maturity date.

Note: As the loan rate and quantity on the reconcentrated loan remain the same as that on the original loan, there should be no additional disbursement for an increase to the loan rate and quantity.

631 Selling Commodities During Reconcentration

A Repaying Commodity During Reconcentration

When part of the commodity covered by CCC-699 is repaid during the reconcentration, record repayment according to 16-PS and PS directives **before** recording the warehouse-to-warehouse transfer.

632-699 (Reserved)

Part 7 Repayments, Releases, and Loan Maturity**Section 1 General Provisions****700 General Repayment Information****A Types of Repayments**

After the date of disbursement, farm-stored and warehouse-stored loans may be repaid at any time during the loan period.

The producer may repay the loan at the lesser of either the following:

- loan principal plus interest
- CCC-determined value under the marketing loan provisions according to Section 2
- CCE for loan collateral according to Section 7.

Notes: Marketing loan repayment and CCE provisions are **not** applicable to recourse loans.

Producers who have reached their payment limit or are not AGI compliant, are not eligible to receive a market loan gain. However, storage credit for cotton and forgiven interest for all commodities, may apply if the PCP, NPP, or AWP falls within the range that is over the principal but less than the principal plus interest. CCE allows these producers to receive market gain.

700 General Repayment Information (Continued)**B Acceptable Forms of Payment**

County Offices will accept the following forms of payment from producers or buyers as repayment for loans:

- cash
- certified or cashier's checks
- checks issued, and payable:
 - solely to CCC or the applicable County Office
 - to CCC and other applicable lienholders
- checks that include producer's name as 1 of the payees
- money orders
- personal checks from producers or buyers

Exception: See subparagraph C for guaranteed remittances.

- wire transfers.

C Guaranteed Remittances

To protect CCC's interest, STC, COC, or CED may require guaranteed remittance:

- for **all** repayments
- on a countywide basis
- on a Statewide basis (by STC **only**)
- on an individual basis.

Follow paragraph 702 and 64-FI for dishonored checks.

700 General Repayment Information (Continued)**D Repayment Date**

The repayment date will be the date the repayment is received in the County Office that disbursed the loan with all required endorsements.

For repayment through wire transfer, the repayment date will be the date the funds are received in CCC's account.

E Recording Repayments

Record repayments according to 16-PS.

Note: Before recording market loan repayments on warehouse-stored loans, make additional disbursements, for errors **only**, according to paragraph 511.

CCC-500M will be generated by CLPS. County Office must:

- sign and date CCC-500M
- provide the producer the original CCC-500M as a receipt for the repayment
- keep a copy in the loan folder.

Note: Do **not** send CCC-500M to FRB.

Prepare and deposit collections according 64-FI.

700 General Repayment Information (Continued)**F CCC-500M**

This table provides an explanation for the CLPS entered data on CCC-500M.

Item	Explanation of CLPS Entered Data
1	State and County code.
2	Crop year.
3	Loan number.
4	Name and address of contact producers on the loan.
5	Commodity.
6	Type of loan – farm-stored or warehouse-stored.
7	Disbursement date of loan.
8	Total amount received from borrower.
9	Information for this repayment, as follows: A date repaid B total number of bu./cwt./lbs. redeemed C principal liquidated D interest paid.
10	Information on the outstanding balance after repayment, as follows: A number of bu./cwt./lbs. remaining under loan B loan principal, excluding interest remaining on the loan.

700 General Repayment Information (Continued)

F CCC-500M (Continued)

Item	Explanation of CLPS Entered Data
11	Details on the specific repayment, by seal or receipt number, as follows: A seal number or warehouse receipt number repaid B total number of bu./cwt./lbs. redeemed C principal repaid D interest repaid E market gain, if applicable F denied gain, if applicable G cost per unit H cotton storage credit, for cotton loans only I peanut handling charges repaid, for peanut loans only J quantity balance after repayment on this seal or receipt number after repayment. K principal amount after repayment, excluding interest, on this seal or receipt number. Notes: On warehouse loans for 11J and 11K, these amounts will be “0” because an entire receipt must be repaid. Only bins or receipts that were repaid on this repayment will be displayed.
12	Other information, if applicable: A total market gain B total waived interest C total denied market gain D liquidated damages.
13	Notice to borrower of dishonored check provisions.
14	Remarks section. CCE transaction ID number will be listed if this was a CCE.
15	County Office employee will sign and date.

700 General Repayment Information (Continued)

G Example of CCC-500M

Following is an example of CCC-500M.

CCC-500M (04-24-15)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation MARKETING ASSISTANCE LOAN REPAYMENT RECEIPT				1. State and County Code 2. Crop Year 3. Loan Number			
NOTE: Form contains Personally Identifiable Information (PII). FSA disclosure of the completed form is restricted to only the individual(s) to whom the information on the form pertains and authorized FSA personnel who have 1) the appropriate access clearances/permissions and 2) a demonstrated business need to know the information in order to perform their assigned official duties.									
4. Name and Address (including Zip Code)			5. Commodity		6. Type of Loan		7. Disbursement Date (MM-DD-YYYY)	8. Amount Received \$	
9. Redeemed with this Payment:					10. Outstanding Balance After this Payment:				
A. Date Repaid (MM-DD-YYYY)	B. Total Quantity \$	C. Principal \$	D. Interest \$	A. Total Quantity	B. Principal Amount (Excluding Interest) \$				
11. Breakdown of Collateral Released and Outstanding Balance by Bin/Seal Number or Warehouse Receipt Number:									
A. Bin/Seal No.(s) or Warehouse Receipt No.(s)	B. Quantity Redeemed	C. Principal Paid	D. Interest Repaid	E. Market Gain	F. Denied Gain	G. Unit Cost	H. Cotton Storage Credit	I. Peanut Handling Charges	Balance After Payment J. Quantity K. Principal
12. Other:									
A. Total Market Gain		B. Total Waived Interest			C. Total Denied Market Gain			D. Liquidated Damages	

Page 1 of 2

700 General Repayment Information (Continued)

G Example of CCC-500M (Continued)

CCC-500M (04-24-15)											
13. DISHONORED CHECK NOTICE											
If this check is dishonored, there may be a \$25.00 dishonored check fee applicable. Also, there shall be a late payment charge on overdue accounts. This late payment charge will be applied on a daily basis. The late payment charge rate that is applied to the debt shall remain in effect until the debt is settled. In case of partial payment of overdue amount, the amount received will be applied first to the accrued late payment charge and then to the overdue amount. The late payment charge shall be expressed as a rate of interest which is charged on delinquent debts and shall be published in the Federal Register by the Executive Vice President, Commodity Credit Corporation.											
14. Remarks											
<table border="1" style="width: 100%;"> <tr> <td style="width: 33%;">Adjusted World Price:</td> <td style="width: 33%;">Location Differential:</td> <td style="width: 33%;">Invoice Number:</td> </tr> <tr> <td>Fine Count Adjustment:</td> <td>Coarse Count Adjustment:</td> <td>Compression Charge:</td> </tr> <tr> <td>Date Documents Received:</td> <td></td> <td>Handling Charge:</td> </tr> </table>			Adjusted World Price:	Location Differential:	Invoice Number:	Fine Count Adjustment:	Coarse Count Adjustment:	Compression Charge:	Date Documents Received:		Handling Charge:
Adjusted World Price:	Location Differential:	Invoice Number:									
Fine Count Adjustment:	Coarse Count Adjustment:	Compression Charge:									
Date Documents Received:		Handling Charge:									
15. Credit for this repayment is subject to collection of checks and verification of computations.											
COMMODITY CREDIT CORPORATION		Date (MM-DD-YYYY)									
BY											
Thank You for Your Remittance											

Page 2 of 2

The U.S. Department of Agriculture (USDA) prohibits discrimination against its customers, employees, and applicants for employment on the basis of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.) Persons with disabilities, who wish to file a program complaint, write to the address below or if you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.) please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). Individuals who are deaf, hard of hearing, or have speech disabilities and wish to file either an EEO or program complaint, please contact USDA through the Federal Relay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

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700 General Repayment Information (Continued)**H Repaying Matured Loans**

Producers may repay matured loans at the outstanding loan principal plus accrued interest:

- before CCC acquires the commodity
- for farm-stored loans, **after** issuance of CCC-691, **but** before warehouse receipt and CCC-691 are received from the warehouse.

I Repaying Loans During Appeal Process

A producer may repay a loan, at CCC-determined value under the marketing loan provisions, for which an appeal process is in effect.

701 Personal or Corporate Checks Offered for Release of Collateral

A Receiving Uncertified Checks

If an uncertified, personal, or corporate check is offered for release of loan collateral and repayment of the loan, CED or designee **must** use prudent judgment in releasing loan collateral.

B Restrictions

County Offices must **not accept any checks that:**

- **are** postdated
- do not conform to proper business practice
- contain restrictive endorsements on the back of the check
- contain restrictive inscriptions on the front of the check.

If a check is received that contains restrictive language, the County Office **must** contact the remitter of the check and follow 64-FI.

Interest will continue to accrue on the loan until an acceptable check including all required endorsements is presented.

702 Notice of Nonpayment or Dishonored Check Received From RMO

A RMO Action on Nonpayment or Dishonored Checks

To ensure that the County Office follows up with the customer in a timely manner, RMO will notify the field office through an e-mail notification on any dishonored checks.

When a check is returned for insufficient funds, NRRS will:

- automatically update the Dishonor Status and Financial Transaction Status to “Dishonored” for the applicable remittance
- automatically establish a receivable for the dishonored check fee.

702 Notice of Nonpayment or Dishonored Check Received From RMO (Continued)**B County Office Action on Nonpayment or Dishonored Checks**

Upon receiving notification from RMO that a check has been dishonored, County Offices must immediately notify the State Office Price Support section.

The following table provides the actions that the County Office must complete.

Step	Action
1	Notify the payer by telephone and confirm by letter that a replacement remittance is due immediately, and must be either of the following: • certified or cashier's check • money order.
2	Reverse the repayment in CLPS that was dishonored. Note: When the producer presents CCC with a guaranteed remittance check, process the repayment in CLPS in the normal manner according to 16-PS.
3	Take the necessary steps to secure MAL collateral affected by the dishonored check. When notified a check is dishonored: • immediately take steps to prevent removal of loan collateral, based on the dishonored check • for insufficient funds, establish safeguards to prevent the removal of collateral based on other uncertified checks from the same person or organization.

County Offices must spot check the farm-stored commodity, as follows:

- charge the producer for the expense of the spot check
- determine whether the commodity has been removed.

Note: The County Office must manually establish a new receivable for the measurement service fee according to 64-FI using the program code MEASVS.

702 Notice of Nonpayment or Dishonored Check Received From RMO (Continued)

C County Office Action Following Spot Check

After the spot check has been completed, determine the necessary action according to the following.

IF the commodity repaid with the dishonored check has...	THEN...
been removed	according to 64-FI, paragraph 21, establish a new manual receivable for the measurement service fee. Note: If the commodity has been entirely removed, a violation may have occurred, and liquidated damages may be applicable. A separate receivable will need to be established when COC or STC determine that liquidated damages are owed.
not been removed and the producer notifies the County Office in writing that the loan is to revert back to where it was before the repayment Note: Producer does not submit a replacement check.	according to 64-FI, paragraph 21, establish a new receivable for the measurement service fee, if still owed. Note: Ensure that the receivable for the dishonored check fee established by RMO remains. NRRS will: • send a notification letter to the producer, if an amount is still owed • be used to deposit any remittances for the dishonored check fee and/or measurement service. Make sure that the repayment associated with the dishonored check is deleted in CLPS according to 16-PS.

703 Releasing CCC-677 and CCC-678 After Repayment**A Action After Full Repayment**

After full liquidation of the loan through repayment or redemption, return the original copy of CCC-677 or CCC-678, marked “**PAID**”, to the producer after 30 calendar days.

Note: When a **guaranteed remittance** has been submitted for full liquidation of the loan and no other repayment using other than guaranteed remittances has been submitted within the last 30 calendar days, the original copy of CCC-677 or CCC-678 may immediately be marked “**PAID**” and returned to the producer.

B Additional Action for Farm-Stored Loans

After CCC-677 is released to the producer, according to subparagraph A, prepare and file documents necessary to release financing statement, according to subparagraph 521 E, at the producer’s:

- request
- expense, if applicable.

704-713 (Reserved)

Section 2 Types of Repayment**714 Principal Plus Interest Repayments****A Applicability of Repayment at Principal Plus Interest**

Producers are required to repay loans at principal plus interest for the following reasons:

- after 15th calendar day after expiration of CCC-681-1 for the quantity delivered
- loans disbursed as recourse loans
- incorrect certification determination
- loan where the maturity date has been accelerated because of a violation

Note: See paragraph 718 for exceptions.

- for any quantity delivered on CCC-681-1 after maturity
- matured loans
- for any producers with a HEL/WC violation.

Note: Producers may repay matured loans according to subparagraph 700 H.

See subparagraph 416 C for repaying quantities removed or disposed of without prior written authorization.

715 Marketing Loan Repayments**A Cash Marketing Loan Repayments**

Market loan repayments of non-recourse loans with cash are at the **lesser** of the following:

- principal plus interest
- CCC-determined value.

Note: The CCC-determined value is the lesser of the 30-calendar-day PCP or the alternative PCP or rate, as applicable.

The CCC-determined value, in some cases, may be higher than the loan rate, but less than the loan principal plus interest.

Example: If the producer is **not** eligible for market gain because of noncompliance with AGI requirements and the CCC-determined value is below the loan rate, the County Office will enter the loan rate as the CCC-determined value. In this case, the producer will **only** be repaying the loan principal, because all interest will be forgiven and there is no market gain. This is applicable to no-recourse loans only.

Note: See paragraphs Part 7, Section 7 for CCE provisions.

715 Marketing Loan Repayments (Continued)**B Determining CCC-Determined Value**

The CCC-determined value for the day the repayment is received in the County Office that disbursed the loan will be used in determining the repayment rate unless there is an unexpired CCC-697 on file.

Follow Section 6 for information on how the CCC-determined value using the terminal market prices posted on the “Daily Market Rates” for commodities is calculated.

See paragraph 716 for locking-in repayment rates on CCC-697.

A report of archived LDP/PCP prices is available on the PSD internet at **<https://www.fsa.usda.gov/programs-and-services/price-support/Index>**. The user must:

- click on “Archived LDP/PCP” under the “View Daily Commodity Rates”
- select applicable State, county, or crop year
- select the “Beginning Date” and “Ending Date”

Note: if the rate for only one date is needed, select only the “Beginning Date”

- select a commodity if ending date is selected
- if applicable, enter figure in “Show only rates above (\$)”
- click on “Run Report”.

715 Marketing Loan Repayments (Continued)**C Production Evidence Required**

For loans that are repaid under the marketing loan provisions **and** are selected for spot check, require the producer to submit production evidence to the County Office. See Part 3 for:

- determining acceptable production evidence
- submitting production evidence.

D Market Loan Gain Reported to IRS

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

The amount of market gain is reported to IRS.

716 Locking-In Repayment Rates**A Locking-In on CCC-697**

Producers may lock in a repayment rate for 60 calendar days.

Lock-in rates:

- can be requested on disbursed nonrecourse loans **only**
- **cannot** be requested within 14 calendar days of loan maturity.

Loans that have been requested, but **not** disbursed, are **not** eligible for lock-in repayment requests.

Note: Locked-in rates are not applicable to CCE's.

B Expiration

CCC-697 will expire on the earlier of:

- 60 calendar days from date of approval
- 14 calendar days before loan maturity.

If the expiration date falls on a nonworkday, the expiration date will be the next workday.

716 Locking-In Repayment Rates (Continued)**C Applicability**

CCC-697 is applicable to any farm-stored or warehouse-stored nonrecourse loan collateral, **except** cotton.

For warehouse loans, only whole receipts can be locked in at 1 time because an entire warehouse receipt must be repaid.

D Requests

The requests to lock in a repayment rate may only be completed 1 time for a designated quantity. The designated quantity may be:

- all quantity under loan
- a specific loan quantity.

E Signatures and Initials

All signatures and initials from producers sharing in the commodity loan must be obtained **before** approving CCC-697.

The contact producer must also initial all blocks under CCC-697, Part B **before** approval.

716 Locking-In Repayment Rates (Continued)

F Effective Date

The locked-in rate is the rate in effect on the date CCC-697 is approved according to subparagraph H.

G Calculating CCC-Determined Value

See paragraphs 762 through 765 for information on calculating the CCC-determined value used to determine the applicable repayment rate.

Subparagraph 715 B lists the processes for finding archived LDP and PCP rates.

716 Locking-In Repayment Rates (Continued)**H Approving CCC-697**

COC, or designee, will approve CCC-697 when requests are complete.

Requests are complete when:

- all required signatures have been obtained
- contact producer has initialed all blocks under Part B of the CCC-697
- CCC-697 has been received in the County Office.

If the County Office cannot approve CCC-697 on the date the completed CCC-697 is received in the County Office, County Office must:

- date stamp CCC-697
- use the repayment rate in effect on the date CCC-697 is received in the County Office.

For CCC-697 FAX requests, the repayment rate is the rate in effect when CCC-697 is received with the last signature, in the County Office, providing CCC-697 is completed correctly.

Example: If the rate is announced at 7 a.m. EST, and the FAXed CCC-697 is received at 5 a.m. EST., the repayment rate is the rate in effect on the previous day.

Note: FAX throughout this handbook refers to whatever process the county uses to receive documents sent to them via a FAX machine.

I Telephone Requests

All requests to lock in a repayment rate on CCC-697 must be received in person or by FAX.

Requests are **not** allowed by telephone.

716 Locking-In Repayment Rates (Continued)

J CCC-681-1 Requested According to CCC-697

When producer requests CCC-697 and CCC-681-1, see subparagraph 743 C.

K Repayments

County Offices must follow this table for determining repayment rates when CCC-697 is requested.

IF the repayment is received...	THEN the repayment rate is the...
before CCC-697 expires	locked-in rate shown on CCC-697.
after CCC-697 expires	lesser of the following: • principal plus interest • market repayment rate in effect on the date the repayment is received.

Any repayment received on a farm or warehouse-stored loan must be applied first to the oldest CCC-697 outstanding regardless of loan quantities **not** included on CCC-697.

See subparagraph 745 C for repayment rates under the CCC-681-1 provisions. The 15-calendar-day grace period for receipt of the repayment is **only** applicable to quantities delivered under CCC-681-1 provisions according to subparagraph 745 A.

Any repayment received after maturity must be repaid at principal plus interest **except** when the commodity was delivered to a warehouse under a CCC-681-1 **before** loan maturity and the delivery evidence substantiates the dates delivered.

716 Locking-In Repayment Rates (Continued)

K Repayments (Continued)

Because the applicable repayment rate is based on the loan rate at disbursement, producers may want to request separate loans for commodities stored in multiple counties with different rates.

Example: Producer has a farm-stored corn loan. Bin 1 is located in County A with a corn loan rate of \$2.00. Bin 2 is located in County B with a corn loan rate of \$1.98. Producer locks in a repayment rate of \$1.95 on the entire quantity in bin 1. Twenty-five days later, the producer locks in a repayment rate of \$1.90 on the entire quantity in bin 2. The market continues to go down and the producer allows the CCC-697 on bin 1 to expire. Before the expiration date of the CCC-697 on bin 2, the producer comes into the County Office to repay bin 1 at the CCC-determined value that day. Because the producer still has an unexpired CCC-697, he must first pay the County Office for the quantity in bin 2 before he is allowed to use the CCC-determined value that day on the quantity in bin 1. If the producer would have requested separate loans on the 2 bins, he would have been allowed to repay the loan quantity in bin 1 at the CCC-determined value that day without first having to repay the loan quantity on the unexpired CCC-697 in bin 2.

L Quantity Requests Not Repaid Under CCC-697

Loan quantities can be locked-in on CCC-697 only 1 time. If producers do not repay the quantity specified on CCC-697 on or before the expiration date, County Office must:

- flag the loan folder to indicate quantity not eligible for further lock-in requests
- not include this quantity in any subsequent CCC-697 request.

716 Locking-In Repayment Rates (Continued)

M Terms and Conditions

The contact producer must initial each CCC-697, Part B terms and condition for **each** request and ensure that all persons who sign CCC-697 are aware of **all** CCC-697, Part B terms and conditions.

CCC-697, Part B terms and conditions are as follows:

- CCC-697 **cannot** be canceled, terminated, or changed after approval
- the locked-in rate for the quantity specified on CCC-697, Part A:
 - expires on the earlier of the date of repayment, 60 calendar days from date of approval, or 14 calendar days before the loan maturity date
 - is the rate in effect on the date CCC-697 is approved
 - is applicable to the specified quantity until the CCC-697 expires
- if the loan is repaid after the loan maturity date, repayments must be at principal plus applicable interest unless the quantity is delivered to a buyer under a CCC-681-1 before the loan maturity date and the delivery evidence presented validates the dates delivered
- all signatures from all producers **who share** in the loan quantity have been obtained
- multiple CCC-697's can be outstanding at the same time, but **cannot** be in effect for the same quantity
- if the commodity represented by CCC-697 is transferred, by either a farm to farm, farm to warehouse, warehouse to warehouse, or warehouse to farm, out of issuing county, then all CCC-697's on the quantity transferred also remain because the original loan rate does not change

Note: The oldest unexpired CCC-697 is still applied first

- the repayment rate locked-in with this CCC-697 is applicable to the entire quantity entered on CCC-697, Part A and **cannot** exceed the outstanding loan quantity
- **only** whole warehouse receipts can be locked in at 1 time
- all repayments on a loan with an outstanding CCC-697 will be applied in order, according to the oldest outstanding CCC-697 on file for that loan, including warehouse-stored loan requests
- if sales proceeds are needed to repay a farm-stored loan, CCC-681-1 **must** be requested
- a CCE cannot be applied to any quantity on which a CCC-691-has been requested.

716 Locking-In Repayment Rates (Continued)**N Warehouse Receipts**

If CCC-697 is requested on a farm-stored loan that is later transferred to a warehouse-stored loan or a warehouse-stored loan reconcentration has been requested, the:

- warehouse receipts **must** be issued for the quantity requested on CCC-697
- locked-in rate transfers to the warehouse-stored loan with no changes.

Note: A subsequent CCC-697 can be requested and approved on any loan resulting from a transfer where the original loan had a quantity that had never been locked in on CCC-697.

Example: A farm-stored loan for 10,000 bu. has 2 separate 2,000 bu. CCC-697's. The 2 unexpired CCC-697's transfer to the new loan when the new warehouse loan must include 2 warehouse receipts for 2,000 bu. each. This producer can still request additional lock-ins for up to a total of 6,000 bu.

O Loans Where the Maturity Date Has Been Accelerated

The repayment rate locked in on CCC-697 is **not** applicable to loans where the loan maturity date has been accelerated because of unauthorized disposition.

See Part 4 for procedure on loan violations.

717 Completing CCC-697's

A Instructions for Completing CCC-697's

Manually complete CCC-697 for each request to lock in a repayment rate according to this table. CCC-697 is available as a fillable form at <https://intranet.fsa.usda.gov/dam/ffasforms/currentforms.asp>.

Item	Instructions
1	Enter applicable State code.
2	Enter applicable county code.
3	Enter applicable crop year.
4	Enter loan number. Note: A separate CCC-697 is required for each loan number.
5	Enter applicable commodity.
6	Enter loan maturity date.
7	Enter expiration date, as applicable. The expiration date is the earlier of: • 14 calendar days before maturity • 60 calendar days from date of approval; leave blank if additional signatures must be obtained before approval (Part A). If expiration date falls on a nonworkday, enter the next workday, as applicable.
8	Enter outstanding loan quantity.
9A	Enter name and address of the contact producer.
9B	Enter telephone number, including area code, of the contact producer.
10A	Enter name and address of the County Office that disbursed the loan.
10B	Enter telephone number, including area code, of the disbursing County Office.

717 Completing CCC-697's (Continued)

A Instructions for Completing CCC-697's (Continued)

Item	Instructions
Part A	Enter the following: • repayment rate Note: Must be the rate in effect on the date CCC-697 is approved. • date of approval Note: Must be the date CCC-697 is approved. • quantity to be repaid at the locked-in repayment rate. Note: For proper approval of CCC-697 that was received by FAX, see subparagraph 716 H. If there is more than one CCC-697 outstanding for each farm-stored or warehouse stored loan, inform the producer the oldest outstanding CCC-697 will be repaid first before any other repayment can be applied to the loan indicated in item 4. If additional signatures must be obtained, enter “to be determined” in the field for repayment rate and date of approval. When the completed CCC-697 is received in the County Office, cross out “to be determined” and record the repayment rate and date of approval, as applicable. County Offices must enter the expiration date in item 7 near the top, initial and date the changes, and immediately provide a corrected copy to the contact producer.
Part B	The contact producer must read and initial all spaces provided in Part B to acknowledge understanding the locked-in repayment rate terms and conditions for all persons who sign CCC-697.

717 Completing CCC-697's (Continued)

A Instructions for Completing CCC-697's (Continued)

Item	Instructions
Part C	All producers who share in the loan quantity and signed CCC-677 or CCC-678 must sign, provide the last 4 digits of their TIN, and date CCC-697. All signatures must be received in the applicable County Office before CCC-697 can be approved. The locked-in rate is not effective until the date CCC-697 is approved. Required individuals must sign their full name in items 1, 5, and 9, as applicable. An individual signing in a representative capacity must also sign their name in items 1, 5, and 9, followed by their title/relationship role in items 2, 6, and 10, as applicable. The last 4 digits of TIN for the producers in items 1, 5, and 9 must be entered in items 3, 7, and 11, along with the date of signature in items 4, 8 and 12. Required entity signatures for the individual authorized to sign for the entity must sign their name in items 1, 5, and 9, as applicable, followed by their title/relationship role in items 2, 6, and 10. The last 4 digits of TIN for the entity in items 1, 5, and 9 must be entered in items 3, 7, and 11, along with the date of signature in items 4, 8, and 12, as applicable. Note: Authorization to sign for another individual or entity must be on file in the FSA office for the signature to be valid.
Part D	COC must approve CCC-697 when all signatures have been received. If approval cannot be obtained on the date the completed request is received in the County Office, date stamp CCC-697 and use that date to determine the locked-in repayment rate. For proper approval of FAXed CCC-697, see subparagraph 716 H. Approve CCC-697 as soon as possible. COC, or designee, must sign, provide title, and date CCC-697.
Part E	Use Part E when there are more than 3 producers or required signatures on a loan requesting a lock in repayment rate. Obtain the signature, title/relationship of individual signing in the representative capacity, the last 4 digits of the producers TIN, and the date, as applicable.
	Provide the contact producer with a copy of CCC-697 and file a copy in the loan folder, as applicable. Instruct the producer to complete CCC-681-1 also, if the loan collateral will be delivered to a buyer to use the loan proceeds from the sale of the loan collateral to repay the loan. All terms and conditions of CCC-681-1 apply.

717 Completing CCC-697's (Continued)

B Example of CCC-697, Page 1

The following is an example of CCC-697.

This form is available electronically.		See Page 2 for Privacy Act and Paperwork Reduction Act Statements.	
CCC-697 U.S. DEPARTMENT OF AGRICULTURE (10-24-16) Commodity Credit Corporation		1. State Code 19	2. County Code 199
REQUEST TO LOCK IN A MARKET LOAN REPAYMENT RATE		3. Crop Year 20XX	4. Loan Number 125
5. Commodity Corn		6. Maturity Date (MM-DD-YYYY) 08-31-20XX	7. Expiration Date (MM-DD-YYYY) 07-10-20XX
8. Outstanding Loan Quantity 10,000 Bu			
9A. Name and Address of Contact Producer (Including Zip Code) County Producer 2011 Agriculture Lane Anytown, IA 50000		10A. Name and Address of County FSA Office (Including Zip Code):	
9B. Telephone Number (Including Area Code): 515-890-7676		10B. Telephone Number (Including Area Code): 515-654-9900	
PART A – PRODUCER REQUEST			
The undersigned producer(s) ("Producer") hereby requests approval to lock in a market loan repayment rate of (1) \$ <u>1.80</u> (Repayment Rate) per (bu., cwt., lbs.), which is the repayment rate in effect (2) <u>05-11-20XX</u> (Date of Approval) for the above crop year and commodity for the loan quantity of (3) <u>5,000 Bu</u> (bu., cwt., lbs.).			
PART B – PRODUCER AGREEMENT			
NOTE: The contact producer must initial all terms and conditions and ensure that all producers who sign the CCC-697 are aware of the Terms and Conditions stated below:			
TERMS AND CONDITIONS			INITIALS
1. The CCC-697 cannot be canceled, terminated, or changed after approval.			CP
2. The "locked-in" rate for the above quantity in Part A:			
- expires on the earlier of 14 calendar days before the loan maturity date or 60 calendar days from the date of approval - is the rate in effect on the date approved - is applicable to the quantity specified in Part A until the expiration date.			CP
3. If the loan is repaid after the loan maturity date, repayments shall be at principal plus applicable interest.			CP
4. All signatures from all producers who share in the above loan quantity have been obtained.			CP
5. Multiple CCC-697's can be outstanding at the same time but cannot be in effect for the same quantity. For any quantity repaid on the above loan, the oldest CCC-697 will be honored first when applying the repayment to the loan.			CP
6. The repayment rate locked-in with this form is applicable to the entire quantity entered in Part A and cannot exceed the quantity entered in Item 8. In addition, for warehouse-stored loans, the quantity entered in Part A shall only represent one or more whole warehouse receipts and cannot exceed the quantity entered in Item 8.			CP
7. All repayments must be received in the County FSA Office specified in Item 10 on or before the date entered in Item 7. Upon expiration of the CCC-697, and before loan maturity, the repayment is the lower of principal plus interest or the rate in effect on the date of repayment.			CP
8. Form CCC-681-1, Authorization for Delivery of Loan Collateral for Sale is not required to be executed to lock in a repayment rate with this form. However, if the farm-stored quantity entered in Part A must be delivered and sold to a buyer before repayment can be made, then CCC-681-1 must also be requested before moving the quantity in Part A from farm storage to the buyer.			CP
9. A commodity certificate exchange can NOT be applied to the quantity specified in Part A.			CP
PART C – PRODUCER'S SIGNATURE (SEE PART E ON PAGE 2 FOR ADDITIONAL PRODUCER SIGNATURES.)			
1. Producer's Signature (By) /s/ County Producer	2. Title/Relationship of the Individual Signing in the Representative Capacity Self	3. Last 4 Digits of Producer's Social Security No. XXX1	4. Date (MM-DD-YYYY) 05-11-20XX
5. Producer's Signature (By) /s/ County Producerette	6. Title/Relationship of the Individual Signing in the Representative Capacity Self	7. Last 4 Digits of Producer's Social Security No. XXX2	8. Date (MM-DD-YYYY) 05-11-20XX
9. Producer's Signature (By)	10. Title/Relationship of the Individual Signing in the Representative Capacity	11. Last 4 Digits of Producer's Social Security No.	12. Date (MM-DD-YYYY)
PART D – COC OR DESIGNEE'S SIGNATURE			
1. Signature of COC or Designee /s/ Poly Program Technician	2. Title PT	3. Date (MM-DD-YYYY) 05-11-20XX	

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9922. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 696-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

Complete CCC-697 (Page 2) only when there are more than 3 producers on the loan requesting a lock in repayment rate. CCC-697 (Page 2) is a continuation page for obtaining producers' signatures, as applicable.

CCC-697 (10-24-16)

PART C – PRODUCER’S SIGNATURE (CONTINUATION)

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, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under a CCC loan program through documentation of approval for the producer to lock in a market loan repayment rate for a limited period of time for the purpose of repaying CCC loan quantity using the locked in market loan repayment rate. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under a CCC loan program.*

This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).

The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

718 Repayment Rate Applicable to Loan Quantities Involved in a Violation

A Determining Applicable Repayment Rate

Determine the repayment rate according to this table for quantities involved in unauthorized:

- removal
- disposition.

IF COC...		THEN the repayment rate is...
determines good faith according to subparagraph 410 B	and the producer has 2 or less violations	the lesser of: • principal and charges plus interest • the CCC-determined value on the date the violation occurred as determined by CCC plus 15 percent of the loan rate.
does not determine good faith according to subparagraph 410 C	or the producer has more than 2 violations	principal and charges plus interest.

Incorrect certifications **must** be repaid at principal and charges plus interest.

Notes: For producers who repay MAL before being notified of a shortage or violation, County Offices must **manually** insert the following statement in CCC-500M, “Remarks” section, “This repayment does not release the borrower from any administrative actions”.

Liquidated damages apply, unless waived, in addition to calculations in this subparagraph.

719 Lump-Sum Repayments**A Lump-Sum Repayments in CLPS**

CLPS allows the repayment option of a lump sum repayment for farm-stored loans.

Note: A lump sum repayment is **not** available for:

- warehouse loans
- market price repayments
- CCE repayments.

See 16-PS for additional information on processing lump sum repayments in CLPS.

720 Wire Transfer Repayments

A Background

Wire transfer repayments are available through CLPS. Producers or buyers may wire transfer repayments directly to CCC's account at the U.S. Department of Treasury.

B Processing Wire Transfer Repayments

See 64-FI for instructions to record a wire repayment.

721-728 (Reserved)

Section 3 Farm-Stored Loan Repayments**729 Farm-Stored Repayments****A Repaying Loan Quantity**

A producer may repay a farm-stored loan in full or in part by paying an amount representing the **quantity** redeemed.

B Payment Before Movement

A producer must make repayment **before** the loan collateral is moved **unless** prior authorization is approved by County Office on CCC-681-1.

C Payment After Movement

A producer may request release of loan collateral for sale to a buyer and provide payment **after** movement of the commodity according to CCC-681-1 provisions in Section 4.

730 Repayment Schedules**A When Repayment Schedules Are Required**

COC may review and determine that a repayment schedule is required for any MAL for which COC determines CCC's interest may be at risk.

B Repayment Schedules for Feeding

When the collateral will be fed to the producer's own livestock, COC must establish a repayment schedule with the producer to ensure repayment **before**:

- removal of the commodity for feed
- loan maturity.

C Loan Types

Repayment schedules must be established with the producer for the following loans:

- commodities described in subparagraph 225 C
- commodities harvested as other than grain.

Note: Silage and hay are **not** eligible for loan.

731-740 (Reserved)

Section 4 Marketing Authorization Provisions**741 Requesting Release of Farm-Stored Commodity Before Repayment****A Using CCC-681-1's**

Producers may request that a commodity pledged as collateral for CCC farm-stored loan be released for delivery to a buyer before repayment on CCC-681-1, according to paragraph 743, if the sales proceeds are needed to repay the loan.

CCC-681-1's will be used to:

- authorize removal and delivery of the farm-stored loan collateral to a buyer for sale **if** the proceeds of the sale are used to immediately repay the loan
- notify the buyer that CCC:
 - has a perfected security interest in the specified quantity
 - will **not** release CCC's security interest in the collateral sold until repayment is received.

CCC-681-1's must **not** be used for warehouse-stored loans.

B Movement Initiated on Nonworkday

Producers may initiate movement of farm-stored loan collateral on nonworkdays, without prior written approval, if **both** of the following apply:

- producer files a request for approving this movement on the next workday
- request is according to program provisions.

See subparagraph 743 E for approving farm-stored loan collateral nonworkday movement requests.

741 Requesting Release of Farm-Stored Commodity Before Repayment (Continued)**C Requesting CCC-681-1**

When producers request release of their commodity for sale on CCC-681-1, County Offices must:

- inform producers and buyers:
 - of their responsibilities about using CCC-681-1
 - that repayment of loan collateral purchased by a buyer **must** be received from the buyer; otherwise, the buyer is violating the clear title provisions
- inform producers when they request CCC-681-1, according to paragraph 743, that:
 - CCC **expects** payment for any quantities delivered
 - buyer and delivery location **must** be specified
 - any quantity delivered and sold to a buyer after loan maturity must be repaid at principal plus interest
 - the producer is responsible for repayment if the buyer does not comply with CCC-681-1 provisions
 - CCC-681-1 **cannot** be canceled
 - if a repayment rate is locked in on CCC-697, the repayment at the locked-in rate is due for the quantity delivered during the authorization period by the earlier of:
 - CCC-697 expiration date according to paragraph 716
 - 15th calendar day after CCC-681-1 expiration date

741 Requesting Release of Farm-Stored Commodity Before Repayment (Continued)

C Requesting CCC-681-1 (Continued)

- the producer is allowed to request repayment checks made payable solely to CCC
*--provided the producer initials and dates item 11 **and** signs Part C

Note: County Office employees must **not** initial item 11 for the producer.--*

- the producer must obtain another CCC-681-1, according to paragraph 744, when they **cannot** complete delivery by the expiration date of the existing CCC-681-1
- the producer may be subject to administrative actions, according to Part 4, if any loan quantity is delivered to the buyer **after** CCC-681-1 expires.

If the producer does **not** deliver any quantity during the delivery period, CCC-681-1 expires on the date specified on CCC-681-1.

741 Requesting Release of Farm-Stored Commodity Before Repayment (Continued)**D Delivery Period**

The producer is responsible for choosing the requested delivery period for each applicable CCC-681-1. The delivery period before loan maturity:

- may be either of the following:

- 15 calendar days
- 30 calendar days

Note: CCC-681-1's requested and approved after loan maturity will only be allowed a 15-calendar-day delivery period.

- begins on the date CCC-681-1 is approved and continues for the selected number of calendar days (15 or 30)
- may be extended according to subparagraph G.

If CCC-681-1 expiration date falls on a nonworkday, the expiration date will be the next workday.

The **entire** outstanding loan quantity must be released for each CCC-681-1 requested.

If a delivery period does **not** expire until after loan maturity, advise the producer that any quantity delivered after loan maturity **must** be repaid at principal plus applicable interest or may be delivered to CCC.

Any changes to the delivery location after approval would require a new CC-681-1.

741 Requesting Release of Farm-Stored Commodity Before Repayment (Continued)**E Different Buyers**

Only one CCC-681-1 may be approved for the **same** loan to the **same** buyer for the same delivery period.

Note: A new CCC-681-1 must be approved for the same buyer at a different delivery location.

Two or more CCC-681-1's may be approved for the **same** loan to **different** buyers and delivery locations during the **same** delivery period. The **entire** outstanding loan quantity will be released on **each** valid CCC-681-1 approved.

If the delivery period of the original CCC-681-1 has **not** expired and quantities have been delivered, an extension may be granted according to subparagraph H.

F Identifying Buyer and Delivery Location

When requesting a CCC-681-1, the producer **must** identify both the buyer and the delivery location. CCC will send a copy of the CCC-681-1 to both the buyer and delivery location to make sure they are aware that the commodity being delivered is CCC loan collateral.

If the delivery location is not known when the CCC-681-1 is requested, the producer **must** inform CCC of the delivery location before the commodity is moved. CCC will then send the delivery location a copy of the CCC-681-1.

741 Requesting Release of Farm-Stored Commodity Before Repayment (Continued)

G CCC-681-1 Expiring or Requested After Maturity

County Offices must use this table for applicable action for **either** of the following situations:

- CCC-681-1's with **grace** periods that expire **after** the loan maturity date
- CCC-681-1's requested **after** the loan maturity date.

IF CCC-681-1...	THEN...
or grace period expires after the loan maturity date	issue CCC-691 the day after loan maturity for the outstanding quantity, regardless of whether CCC-681-1 is still in effect, with the applicable demand letter (Exhibit 18).
is requested after the loan maturity date	repayment must be made at principal and charges, plus interest and delivery period will be limited to 15 calendar days.

See table in Exhibit 31 for an example of actions and applicable dates for a mature MAL and CCC-681-1.

741 Requesting Release of Farm-Stored Commodity Before Repayment (Continued)

H CCC-681-1 Extensions

Producers may request a 1-time, 15-day CCC-681-1 extension. COC's may determine to extend expiring CCC-681-1's if deliveries are not completed within the 15- or 30-day initial delivery period to complete delivery of the applicable commodity, **not** to exceed:

- 45 calendar days **including** the 30-day original release period for CCC-681-1's requested before maturity
- 30 calendar days including the original release period for CCC-681-1's requested for 15 days and those requested after maturity.

CCC-681-1 extensions are **only** authorized if the producer has begun delivery of the quantity to the buyer. Extensions must not be approved if the producer is intentionally delaying delivery to avoid payment to CCC.

When CCC-681-1 extensions are approved by COC, County Offices will:

- *--line through the expiration date on CCC-681-1, item 12 and enter the new expiration--* date
- initial and date the change
- extend the grace period for repayment to be 15 calendar days after the revised CCC-681-1 expiration date for all quantity delivered
- provide the producer, buyer, and delivery location a revised copy of CCC-681-1.

742 Delivery Evidence**A Required Delivery Evidence**

Delivery evidence:

- **must** be submitted with **all** CCC-681-1 repayments for delivered quantities only
- is not required for any other type of repayment.

B Type of Delivery Evidence

Delivery evidence is any of the following:

- delivery statements
- settlement sheets
- other acceptable delivery evidence, as applicable.

C Delivery Evidence Requirements

Submitted delivery evidence can **become** production evidence for any loan repayment when market gain is earned as long as all production evidence requirements are met according to paragraph 335.

All delivery evidence requirements **must**:

- show dates of delivery
- quantity delivered.

Because delivery evidence now becomes production evidence for market gain purposes, loan quantities repaid in full under CCC-681-1 will not be subject to spot check as long as the delivery evidence meets all necessary requirements.

742 Delivery Evidence (Continued)

D Quantity Delivered Less Than Measured Quantity

Measured quantities can be used for production evidence if producer has initialed, dated, and checked (✓) the “yes” box on CCC-671-1 item 32 within 30 calendar days from completion of the measurement service.

If delivery evidence is less than the production evidence and **all** loan quantities have been delivered, determine the repayment rate as follows.

IF the delivered quantity is less than the measured quantity and is...	THEN the repayment rate is...
within 10 percent tolerance	the locked-in repayment rate or repayment rate in effect on the date the repayment is received, as applicable.
not within 10 percent tolerance	based on the following COC violation determinations: • good faith • misrepresentation, scheme, or device. See Part 4.

743 Completing CCC-681-1's for Marketing Authorization

A Instructions for CCC-681-1's

County Offices will:

- generate CCC-681-1 through CLPS according to 16-PS
- secure from producer:
 - *--initials and date in item 11, if applicable--*
 - signature and date in Part C.

Reminder: CCC-681-1's must **not** be submitted to a buyer or delivery location without **all** the required information.

*--The following table provides instructions for completing CCC-681-1.

Item	Instruction
Part A – Collateral Identification	
1A	Enter name and address of contact producer who signed CCC-677.
1B, 1D, 1F, and 1H	Enter the producer's full Social Security number or TIN.
1C, 1E, and 1G	Enter names and addresses of other producers who signed CCC-677.
2	Enter crop year of the collateral.
3	Enter commodity.
4	Enter entire outstanding loan quantity with unit of measure designation (bu., cwt., or lb.). Note: The entire outstanding loan quantity will be approved for release, even if the producer intends to deliver and repay only a portion of the outstanding loan quantity.
5	Enter loan number.
6	Enter loan maturity date in "MM/DD/YYYY" format.
7	Enter quantity for which excise tax, assessment, or promotion fee was withheld at loan disbursement, if applicable.
8A	Enter physical location where collateral is stored, including the State and county name.
8B	Entered State, county, and FSN where the collateral was produced.

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743 Completing CCC-681-1's for Marketing Authorization (Continued)

A Instructions for CCC-681-1's (Continued)

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Item	Instruction
9	Enter name, address, telephone, and FAX number of the County Office that processed the loan.
10A	Enter name and address of the initial buyer designated by the producer. If the buyer's name is not known, CCC-681-1 must not be approved. Note: For commodities sold through a broker, the broker will be: • considered the buyer • subject to CCC-681-1 terms and conditions • required to submit the repayment.
10B	Enter physical address of the delivery location.
11	If the producer requests repayment check be made payable solely to CCC, then the producer will initial and date in "MM-DD-YYYY" format. Before CCC approval, producers requesting repayment check made payable solely to CCC must: • visit the County Office to request CCC-681-1 • initial and date the request • agree to provide CCC-681-1 to the buyer with first load. Note: County Office employees must not initial and date item 11 for the producer. CCC-681-1 must contain all required signatures.
12	Enter the expiration date, which is either the 15 th or 30 th calendar day, as requested by the producer, from the CCC approval date in item 20B.
13	Check the box if CCC-697 is complete and indicates a lock-in repayment rate has been requested for this loan, and attach a copy of CCC-697.
Part B – Buyer's Instructions for Calculating Repayment Amount	
14	No entry is required. Buyers will review and contact the County Office for correct repayment rates once the commodity has been delivered and purchased.

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743 Completing CCC-681-1's for Marketing Authorization (Continued)

A Instructions for CCC-681-1's (Continued)

*--

Item	Instruction	
Part C – Producer’s Request and Agreement		
15 – 18	Obtain the debtor’s or producer’s signature, title, and date, as applicable.	
	IF...	THEN...
	authorization is requested by telephone or FAX	- only the producer requesting CCC-681-1 is required to sign - producer may sign CCC-681-1 after the CCC approval date but before the expiration of CCC-681-1.
	producer requests repayment check be made payable solely to CCC (item 11)	all producers who signed CCC-677 must sign CCC-681-1 before CCC approval.
Part D – Removal Authorized (For CCC Use Only)		
19A	Enter the date received.	
19B	Check “Yes” or “No” if the request was received by telephone.	
19C	Check “Yes” or “No” if the producer began moving collateral on a non-workday.	
19D	If the response in item 19C is “Yes”, check “Yes” or “No” if the producer requested authorization to move the collateral the next workday. If “No”, explain in remarks.	
19E	Enter remarks, if applicable.	
20	Obtain appropriate signature for CCC approval and date.	

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743 Completing CCC-681-1's for Marketing Authorization (Continued)

B Example of CCC-681-1

The following is an example of CCC-681-1.

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Page of 	
(See Page 2 for Privacy Act and Paperwork Reduction Act Statements.)	
CCC-681-1 (06-02-23)	U. S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation
AUTHORIZATION FOR DELIVERY OF LOAN COLLATERAL FOR SALE	
NOTIFICATION OF CCC'S SECURITY INTEREST	
This notification is made pursuant to Section 1324 of the Food Security Act of 1985. Commodity Credit Corporation (CCC) has a perfected security interest in the entire quantity of the commodity specified in Part A, which has been pledged as collateral for the CCC loan number identified in Item 5. A copy of this loan agreement may be obtained at the address identified in Item 9. CCC's security interest has not lapsed and will not lapse until the earlier of the date specified in the financing statement executed by the producer or until written notification is given to the buyer by CCC that such interest has lapsed. CCC will waive its security interest with respect to the buyer identified in Item 10 only if such buyer remits payment payable to the "Commodity Credit Corporation" at the address indicated in Item 9 by the final date to repay as shown in Item 12. The amount of such payment is calculated by multiplying the repayment rate per unit by the quantity of commodity purchased not to exceed the quantity identified in Item 4. The repayment rate must be obtained from the County FSA Office indicated in Item 9. Any amount in excess of the amount required to repay the quantity of commodity actually purchased or in excess of the quantity shown in Item 4 will be refunded to buyer if Item 11 has been completed by the producer. CCC has previously obtained lien waivers from all major lienholders who claim an interest in the commodity identified in Part A which were superior to CCC. In the event that CCC has failed to obtain a lien waiver from a superior lienholder and the buyer is obligated to make a payment to such lienholder for the purchase of the commodity, CCC agrees to be subject to the actual dollar value of such lien if 1) payment was made solely to CCC because Item 11 is initiated and dated by one of the debtors; 2) the lien is established to be legally superior to CCC's interest; 3) the buyer fully cooperates with CCC's investigation of such other lien by supplying CCC with all requested information; and 4) the buyer lacks any affirmative defenses with respect to such lien. CCC will pay the actual dollar value of the lien, but not any collateral costs incurred by the buyer including, but not limited to, legal fees, court fees, interest, or penalties, unless otherwise authorized by law.	
PART A – COLLATERAL IDENTIFICATION	
NAME, ADDRESS, AND SOCIAL SECURITY NUMBER OR TAXPAYER ID OF DEBTOR(S):	
1A. CONTACT PRODUCER	1B. SSN/TIN
1C. PRODUCER	1D. SSN/TIN
1E. PRODUCER	1F. SSN/TIN
1G. PRODUCER	1H. SSN/TIN
2. CROP YEAR	3. COMMODITY
4. LOAN QUANTITY	5. LOAN NO.
6. LOAN MATURITY	7. QUANTITY FOR PAID ASSESSMENT OR PROMOTION FEE
8A. LOCATION WHERE COLLATERAL IS CURRENTLY STORED (INCLUDE STATE AND COUNTY NAME): 	
8B. STATE, COUNTY, AND FSN WHERE COLLATERAL WAS PRODUCED: 	
10A. NAME AND ADDRESS OF BUYER 	
10B. ADDRESS OF DELIVERY LOCATION 	
12. THIS AUTHORIZATION EXPIRES ON (MM-DD-YYYY) 	
9. SECURED PARTY COMMODITY CREDIT CORPORATION ADDRESS 	
(a) Telephone No. (Include Area Code): (b) Fax No. (Include Area Code):	
11. FOR THE QUANTITY DELIVERED AND PURCHASED MAKE CHECK PAYABLE TO "COMMODITY CREDIT CORPORATION" 	
Note: Excess proceeds received by CCC will be refunded back to the buyer. A. Producer INITIALS: B. DATE (MM-DD-YYYY)	
13. Form CCC-697 indicates a Lock-in Repayment Rate has been requested for this loan (see attached copy of CCC-697). ☐	
PART B – BUYER'S INSTRUCTIONS FOR CALCULATING REPAYMENT AMOUNT	
14. METHOD OF CALCULATION THE BUYER WILL CALCULATE THE AMOUNT due CCC by multiplying the repayment rate, per unit, times the quantity of commodity delivered and purchased, not to exceed the quantity identified in Item 4. If the amount calculated exceeds the sales proceeds, the entire sales proceeds shall be submitted. A check payable to "Commodity Credit Corporation" must be provided to the address shown in Item 9 to be received on or before the fifteenth calendar day after the date shown in Item 12. Documentation showing the quantity purchased on the date(s) such quantity was received must accompany the repayment. The repayment rate can be based on the date of repayment, the "locked in" repayment rate, or principal plus applicable interest. Any quantity delivered after loan maturity must be repaid at principal plus interest only.	
CONTACT THE FSA COUNTY OFFICE IDENTIFIED IN ITEM 9 FOR THE EXACT REPAYMENT AMOUNT.	

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743 Completing CCC-681-1's for Marketing Authorization (Continued)

B Example of CCC-681-1 (Continued)

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CCC-681-1 (08-02-23)		Page of
PART C – PRODUCER'S REQUEST AND AGREEMENT		
<i>All producers who signed CCC-677 will be required to sign CCC-681-1 before CCC approval. The undersigned producer(s) ("Producer") requests authorization to sell a quantity of loan collateral identified in Part A. The collateral will be marketed and the proceeds used for payment of the loan indebtedness owed to CCC. The Producer agrees that this authorization will not release CCC's security interest in such collateral. Release of CCC's security interest will occur only if CCC receives payment at the FSA County Office identified in Item 9 for the quantity of commodity delivered to and sold to the buyer. The Producer agrees to pay the amount if the designated buyer does not provide the applicable payment on or before the fifteenth calendar day after the date shown in Item 12. The Producer further understands that this authorization expires on the date in Item 12 and CCC has authorized the producer to deliver only to the buyer identified in Item 10A.</i>		
15A. Debtor's or Producer's Signature	15B. Title/Relationship of the Individual Signing in a Representative Capacity	15C. Date (MM-DD-YYYY)
16A. Debtor's or Producer's Signature	16B. Title/Relationship of the Individual Signing in a Representative Capacity	16C. Date (MM-DD-YYYY)
17A. Debtor's or Producer's Signature	17B. Title/Relationship of the Individual Signing in a Representative Capacity	17C. Date (MM-DD-YYYY)
18A. Debtor's or Producer's Signature	18B. Title/Relationship of the Individual Signing in a Representative Capacity	18C. Date (MM-DD-YYYY)
PART D – REMOVAL AUTHORIZED (FOR CCC USE ONLY)		
19A. Date Request Received (MM-DD-YYYY)	19C. Did the producer begin moving collateral on a non-workday? ☐ YES (Response Required for Item 19D) ☐ NO	
19B. Request Received by Telephone? ☐ YES ☐ NO	19D. Did the producer request authorization to move the collateral the next workday? (Response required only if Item 19C is YES.) ☐ YES ☐ NO (Explain in remarks)	
19E. Remarks:		
20A. For CCC By:		
		20B. Date (MM-DD-YYYY)
NOTES: 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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334), 7 CFR Part 1405, 7 CFR Part 1421, and 7 USC 1831(e)(1)(A)(ii)(III). The information will be used to request authorization to deliver CCC loan collateral for sale. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a denial of authorization to deliver CCC loan collateral for sale. Paperwork Reduction Act (PRA) Statement: The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE. In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (800) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.		

__*

743 Completing CCC-681-1's for Marketing Authorization (Continued)

C CCC-697's

For producers who requested to lock in a repayment rate on CCC-697, County Offices must:

- *--in CCC-681-1, item 13, CHECK (✓) “**Form CCC-697 indicates a Lock-in--* Repayment Rate has been requested for this loan.**”
- attach a copy of CCC-697 to file copy of CCC-681-1
- cross reference CCC-681-1 has been requested on CCC-697.

D Approving CCC-681-1's

County Offices may approve CCC-681-1, as follows:

- after **all** applicable signatures have been obtained according to subparagraph A, Part C
- based on a telephone request by the producer, allowing delivery to begin immediately or on a date specified by the producer **before** producer's signature is obtained, if the *--producer does **not** request repayment check made payable solely to CCC in item 11

Notes: Many warehouses will not honor item 11 unless the copy of CCC-681-1 they are sent is both initialed and dated by the producer in item 11 and signed **and** dated by all applicable producers in items 15 through 18.--*

Producer's signature **must** be obtained **before** expiration of CCC-681-1.

- for a delivery period that ends after the loan maturity date
- after the loan maturity date for a 15-calendar-day delivery period according to provisions in subparagraph 741 G.

743 Completing CCC-681-1's for Marketing Authorization (Continued)**E Approving Request for Movement Initiated on Nonworkday**

For movement on loan collateral initiated on a nonworkday, according to subparagraph 741 B, County Offices must:

- **not** backdate the approval date for this movement to match the date the producer began to move the collateral
- determine final dates for movement.

Example: A producer begins to move loan collateral for sale on Saturday, October 29, and requests approval on Monday, October 31. In this case, the:

- approval date of CCC-681-1 is October 31
- the delivery period is 15 or 30 calendar days, as applicable, from October 31.

Notes: All necessary signatures on CCC-681-1 must be obtained on October 31.

Notate on CCC-681-1, under Part D, the following:

“Movement of loan collateral began on nonworkday but producer requested approval on next workday according to 8-LP, subparagraph 743 E.”

743 Completing CCC-681-1's for Marketing Authorization (Continued)**F Handling Requests Approved Before Obtaining Signatures**

For requests approved **before** producer's signature is obtained, according to subparagraph D, County Offices must:

- immediately, following CCC approval:
 - send a copy to the buyer
 - send a copy to the delivery location
 - mail the original and a copy to the producer
- advise the producer to:
 - read Part C, **Producer's Request and Agreement**
 - sign and return CCC-681-1 as soon as possible, but no later than CCC-681-1 expiration date
- follow up to ensure that a signed copy is returned to the County Office
- when signed copy is returned by the producer, provide the buyer a photocopy containing the producer's signature if requested by the grain buyer.

743 Completing CCC-681-1's for Marketing Authorization (Continued)

G Distributing CCC-681-1's

County Offices must distribute approved CCC-681-1, as follows:

- file original in the loan folder, after producer has signed and returned CCC-681-1, to County Office
- give a copy to the producer when approved
- provide the buyer a copy immediately after approval by CCC
- provide the delivery location a copy after approved by CCC
- file a pending copy for follow up if repayment is not received by end of delivery period
- cross reference CCC-697 to indicate CCC-681-1 has been requested.

744 New CCC-681-1's for Additional Delivery Time**A New CCC-681-1's**

Producer may request new CCC-681-1's after the expiration date if the commodity was not delivered during the original CCC-681-1.

For commodities that were delivered during the original CCC-681-1's authorized delivery period, repayments are due by the end of the 15-calendar-day grace period after the expiration date of the original CCC-681-1.

Note: Any quantity delivered after the expiration date of the current CCC-681-1 and before a new CCC-681-1 is approved, will be subject to administrative actions for loan violation according to Part 4.

B Effective Date of New CCC-681-1

If new CCC-681-1 is requested before the expiration of the current approved CCC-681-1, the **new** CCC-681-1 to the same buyer will become effective on the day following the expiration of the current CCC-681-1.

Note: All CCC-681-1's approved after the loan maturity date will only be allowed a 15-calendar-day delivery period.

745 Repayment for Quantity Delivered on CCC-681-1

A Repayment Due Date

Although a new CCC-681-1 to the same buyer may be approved to give the producer additional time to deliver, the repayment for the quantity delivered during the authorized delivery period on a specific CCC-681-1 is **due** by the end of the 15-calendar-day grace period of the specific CCC-681-1.

The grace period allows County Offices to **accept any payment** on or before the 15th calendar day after CCC-681-1 expiration date.

Notes: If the end of the 15-calendar-day grace period falls on a nonworkday, the expiration date will be extended to the next workday.

The 15-calendar-day grace period:

- does not give producers additional time to deliver their commodity
- allows additional time for the buyer to remit payment to the County Office.

Example: Producer requested CCC-681-1 on 5,000 bu. of corn. CCC-681-1 expired on May 31, 20XX. The producer delivered 4,000 bu. on May 28, 20XX. The producer requested a new CCC-681-1 on June 1, 20XX, to deliver the remaining 1,000 bu. The producer is responsible for repaying 4,000 bu. within the 15-calendar-day grace period after CCC-681-1 expiration date of May 31, 20XX. Repaying 4,000 bu. of corn would be required by June 15, 20XX. If June 15, 20XX, is a nonworkday, the 15-calendar-day grace period will be extended to the **next** workday.

B Buyer's Responsibility

The buyer must:

- contact the County Office to obtain the applicable repayment amount
- provide repayment made payable as approved by the County Office and according to subparagraph 700 B
- provide **delivery evidence**, according to paragraph 742, with the repayment
- provide repayment checks in sufficient time for producers to obtain all required endorsements.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)

C Determining Applicable Repayment Rate

County Offices must follow this table for determining applicable repayment rate when **all** of the following apply:

- quantity is **delivered**:
 - **during** the authorized delivery period
 - **by the** maturity date
- payment is accompanied with delivery evidence
- payment is made by either buyer or producer.

IF the repayment is received...	AND the producer...	THEN the repayment rate is the...
• during the authorized delivery period • on or before the 15th calendar day after the CCC-681-1 expiration date	presents delivery evidence that confirms the commodity was delivered before the loan maturity date and has: • *--CCC-697 that has--* expired • no CCC-697	lesser of the following: • principal plus interest • the market repayment rate in effect on the date payment is received. Note: For any quantity shown on delivery evidence as delivered after the loan maturity, repayment is at principal plus interest.
	has an unexpired locked-in repayment rate on CCC-697	locked-in rate shown on the applicable CCC-697.
after the 15th calendar day after the CCC-681-1 expiration date	did or did not lock in a repayment rate	principal plus interest.

D Repayment Rate for Quantities Delivered After Maturity

Any quantity delivered **after** the loan maturity date, regardless of whether during an authorized delivery period or not, **must** be repaid at principal plus interest.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)

E Delivery Evidence Not Provided With Repayment

County Offices must follow this table when **both** of the following apply:

- 1 or more CCC-681-1's are in effect
- delivery evidence is **not** provided with the repayment according to paragraph 742.

IF delivery evidence is not provided with the repayment by the buyer or producer...	THEN the...
for quantities delivered	County Office must: • contact the applicable buyer to obtain by FAX a copy of acceptable delivery evidence verifying: • quantity delivered • dates of delivery • based on the information provided, determine the repayment amount: • according to subparagraph C • for the quantity delivered • file delivery evidence in the producer's loan folder.
and no quantities have been delivered	repayment for: • unexpired CCC-697's will be the locked-in rate on the oldest outstanding CCC-697, as applicable • expired CCC-697's will be the lesser of the following: • principal plus interest • market repayment rate in effect on the date the repayment is received.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)

F Refunding Excess Money Received From Buyer

If the repayment amount exceeds the amount needed to repay the quantity delivered to the buyer, the excess amount received from the buyer may be subject to additional liens.

Refund the excess amount received according to the following.

IF...	THEN the excess...
the repayment check was made payable solely to CCC according to producer's request on CCC-681-1	must be refunded to the applicable buyer. County Offices must follow instructions in 64-FI for issuing the refund.
the producer obtained endorsements of all other lienholders listed on a multiparty check	must be refunded to the producer. County Offices must follow instructions in 64-FI for issuing the refund.
both of the following apply: • producer did not request a repayment check be made solely to CCC • buyer submitted the check payable solely to CCC Note: CCC's indemnification provision is not applicable to buyers under these circumstances.	

County Offices will immediately refund, as applicable, excess money received from buyers **unless** there is reason to believe CCC's interests are not protected. If CCC's interests are not protected, follow 64-FI.

Follow 64-FI, subparagraph 65 K and current FI procedure for refunding excess money received from buyer.

Note: Solely means the check was made payable to **only** CCC.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)**G Accepting Repayments From Producer**

After CCC-681-1 is issued, County Offices will accept repayments provided by the producer:

- for loan collateral that:
 - has been or will be delivered to the buyer
 - will not be delivered to the buyer
- although the producer requested loan collateral to be released to a buyer.

See subparagraph C or E, as applicable.

Note: County Offices must **not** endorse any buyer's check to enable the producer to provide a personal check for repaying a commodity loan.

See 64-FI for procedure for when a producer requests CCC's endorsement on a grain buyers check with CCC as payee or joint payee, when none of the grain buyers proceeds are due CCC/FSA.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)

H Handling Producer's Check Before Receiving Buyer's Check

When producer provides repayment **before** the buyer's check is received in the County Office, the County Office must:

- question the producer to determine whether the repayment is for a quantity delivered to a buyer approved on the pending CCC-681-1
- process the repayment from the producer according to the following.

IF the repayment...	THEN...	
is both of the following: • for a quantity already delivered to a buyer • not a guaranteed remittance	• process the producer's repayment in the normal manner • hold the buyer's check, when received.	
	IF notification of dishonored check is...	THEN...
	not received on or before the tenth calendar day following processing of the producer's loan repayment	return the check to the buyer.
	received on or before the tenth calendar day following processing of the producer's loan repayment Note: If notification of dishonored check is received after buyer's check is returned, see paragraph 702 and 64-FI for other provisions about dishonored checks.	• correct the repayment, according to 16-PS, applicable for the producer's check • using the buyer's check, re-record the repayment according to 16-PS: • as a manual repayment • using the date the buyer's check was received in the County Office as the applicable repayment date. Note: NRRS will already have established a receivable for the \$25 dishonored check fee. See paragraph 702.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)

H Handling Producer's Check Before Receiving Buyer's Check (Continued)

IF the repayment is...	THEN...
not for a quantity delivered under provisions of CCC-681-1	process the repayment in the normal manner.
for the entire outstanding loan balance	the County Office must provide the buyer notice of release of CCC's security interest by sending the letter in subparagraph J, according to either of the following, as applicable: • immediately when repayment is by guaranteed remittance • on the eleventh workday following the date of repayment by any other type of remittance.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)**I Quantity Delivered Not Pledged as Loan Collateral**

If the producer notifies the County Office that part of the quantity delivered to the buyer was **not** loan collateral, the County Office must:

- make a farm visit, at the producer's expense, to determine the quantity remaining in designated farm storage
- if a repayment had been processed, allow the producer to reinstate a portion of the liquidated loan quantity; this quantity will be limited to a quantity determined by measurement and that will protect CCC's security interest; for the reinstated loan quantity:
 - correct and re-record the repayment in CLPS according to 16-PS
 - refund any excess repayment amount to the buyer or producer, as applicable according to subparagraph F.

After the repayment is corrected and re-recorded, the outstanding loan quantity must not exceed the eligible measured quantity in farm storage.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)

J Notification to Buyer Releasing CCC's Security Interest

Send the following letter to the buyer, according to subparagraph H, when the **entire** outstanding loan balance has been repaid.

Note: If producer repays with a personal check or nonguaranteed remittance, do **not** send this letter until the eleventh workday following the date of repayment.

(Date)

Dear _____:

Based on a request by (*producer's name*), you were provided with CCC-681-1, Authorization for Delivery of Loan Collateral for Sale, which notified you of CCC's security interest in a quantity of (*commodity type*) for loan (*number*). This form provided instructions to you for submitting the proceeds of the sale of the commodity to CCC.

CCC no longer has an interest in that quantity of the (*commodity type*) because the entire loan has been repaid. Accordingly, you are no longer obligated to remit repayment for this loan to CCC.

If you have any questions, please contact this office.

Sincerely,

County Executive Director,
_____ County FSA Office

746 Payment Not Timely Received**A Action When Payment Not Timely Received**

When payment is **not** timely received for quantities delivered and sold, County Offices must take applicable action according to this table.

In addition to sending the buyer a copy of the letter in subparagraph B, County Offices may contact the buyer directly if it is evident the clear title provisions have been violated by the buyer.

IF payment is not received...	THEN...	
on or before the expiration date of CCC-681-1	send the letter in subparagraph B to the producer with a copy to the applicable buyer. Note: This letter notifies the producer: • that the buyer has not made any payment for any quantity that may have been delivered • of the consequences if repayment is not received during the succeeding 15-calendar-day grace period • to immediately notify the County Office if no quantity has been delivered.	
during the 15-calendar-day grace period	the County Office must immediately perform a farm visit to verify the amount of loan collateral removed, if any.	
	IF the measured quantity is...	THEN...
	equal to or greater than the outstanding loan quantity	no additional action is required.
	less than the outstanding loan quantity	notify the producer according to Exhibit 5, subparagraph N.

Note: Take no additional action and continue to spot check in the normal manner, if either of the following applies **before** the farm visit occurs:

- repayment is provided to the County Office
- the producer notifies the County Office that **no** loan collateral was removed during the authorized delivery period.

746 Payment Not Timely Received (Continued)

B Notification of Nonreceipt of Repayment

County Offices must send the following letter to the producer, with a copy to the applicable buyer and delivery location, the day after expiration of CCC-681-1, which is the first day of the 15-calendar-day grace period.

(Date)

Dear _____:

On **(enter approval date of CCC-681-1)**, you were provided with CCC-681-1 which notified **(buyer's name)** of CCC's security interest in the loan collateral and authorized you to deliver **(commodity type)** for sale to the buyer at **(enter name of delivery location)**. You agreed to instruct **(buyer's name)** to submit the proceeds of the sale to the County Office named below. We have not received the loan repayment.

(Enter the following paragraph if a market loan repayment is applicable.)

The market loan repayment option for the quantity delivered during the authorized delivery period, and before the loan maturity date, is effective only through **(enter the 15th calendar day after expiration of CCC-681-1)**. The repayment must be received in the County Office on or before that date. Accordingly, repayments received after this date must be calculated as principal plus interest.

Contact this office immediately if you have not removed any loan collateral from the storage location.

A representative of this office will visit the storage location if we do not hear from you or receive the required repayment by **(enter the 15th calendar day after expiration of CCC-681-1)**. The maturity date of your loan will be accelerated if any quantity was removed. Interest will continue until the amount due is repaid.

The amount due will be recorded for offset from any FSA or CCC payment due you.

746 Payment Not Timely Received (Continued)

B Notification of Nonreceipt of Repayment (Continued)

File a written request, including evidence to support your position with the County FSA Committee, within 30 calendar days after the date of this letter:

- ☐ if you want to contest this determination, including:
 - ☐ the amount due
 - ☐ administrative actions applicable to the loan maturity date
- ☐ to obtain a reconsideration and an informal hearing.

During these 30 calendar days, you may also inspect and copy records located at the above address that relate to this determination.

Sincerely,

County Executive Director,
 _____ County FSA Office

cc: *(Buyer and delivery location designated on CCC-681-1)*

747 Notification Letter to Buyer Designated on CCC-681-1

A Buyer's Check Returned for Insufficient Funds

Notify the applicable buyer, with respect to CCC-681-1, with a copy of the letter to the producer, if the buyer submits an insufficient funds check.

Notes: County Offices must refer to paragraph 702 and 64-FI for the actions taken by NRRS about the dishonored remittance.

Follow 64-FI for accepting replacement check and collecting the dishonored check fee for these remittances.

B State Office Notification

When a buyer of CCC commodities, or a warehouse approved or authorized to store CCC loan collateral, submits an insufficient funds check, **immediately** notify PSD, through the State Office.

748 Denying Marketing Authorizations

A COC Determinations

COC's may determine that a buyer is **not** eligible for future designations on CCC-681-1.

B Buyer Ineligibility

Buyers are **not** eligible for future designations on CCC-681-1 if buyers:

- repeatedly fail to comply with CCC-681-1 required provisions
- are noncompliant for reasons within the buyer's control.

749-758 (Reserved)

Section 5 Warehouse-Stored Repayments and Releases**759 Repayments and Releases****A Repaying Loan Quantity**

A producer may repay a warehouse-stored loan in full or in part; however, the quantity repaid may not be less than an entire receipt or a combination of 2 or more whole receipts to arrive at the repayment quantity.

Note: Partial warehouse-stored loan repayments only apply to those loans with more than one warehouse receipt remaining under loan.

Example: A warehouse loan was 2 receipts: Receipt #1 = 1,000 bu.
Receipt #2 = 1,500 bu.

Only repayment options for this loan are:

- full repayment of entire loan (both receipts)
- partial repayment of loan, either Receipt #1 **or** Receipt #2.

Note: Producer **cannot** make a 2,000 bu. partial repayment on this loan because there is not a whole receipt for 2,000 bu.

B Authorizing Warehouse Receipt Release

A producer may request authorization for CCC to release warehouse receipts to a buyer, agent, or warehouse representative after repaying the applicable loan quantity. County Offices must complete CCC-685:

- **before** repayment
- according to subparagraph C.

If the producer has designated the buyer, agent, or warehouse representative on FSA-211, do **not** complete CCC-685.

A CCC-685 is also required before releasing EWR's unless the producer has designated the buyer, agent, or warehouse representative on FSA-211.

According to 2-LP Peanuts, paragraph 156, if the peanut producer has designated an agent on a CCC-650P to redeem his peanuts, and the designated agent presents the County Office with CCC-650P for the applicable loan, a CCC-685 is not necessary.

759 Repayments and Releases (Continued)**C Completing CCC-685's**

County Offices will complete CCC-685 according to this table.

Item	Instructions
1A	Enter name of County Office holding the warehouse receipt(s).
1B	Enter the telephone number of the County Office, including the area code.
2	Enter the name of the commodity on the warehouse receipt(s) and loan.
3	Enter the loan number.
4	Enter the name and address to whom the warehouse receipts are to be released.
5	Enter the warehouse receipt numbers.
6	Enter date the producer or representative expects to complete the repayment transaction.
7	Enter loan principal and charges, plus interest for the loan.
8	No entry needed.
9A	Obtain producer's signature.
9B	Enter the title/relationship of the individual signing in a representative capacity.
9C	Enter date of signature in item 9A.
10A	CED must sign before issuing to producer.
10B	Enter date authorization was issued.
10C	Enter a date that is 15 calendar days after date authorization is issued, but no later than the maturity date.

759 Repayments and Releases (Continued)

D Example of CCC-685

The following is an example of CCC-685.

This form is available electronically. CCC-685 (09-05-19)			U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		
AUTHORIZATION TO RELEASE WAREHOUSE RECEIPTS					
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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1421. The information will be used to enable producers to authorize FSA to release a warehouse receipt(s) to a warehouse representative after repayment of a loan obligations secured by such a receipt(s). 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination that the producer is unable to authorize FSA to release a warehouse receipt(s) to a warehouse representative. Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.					
<i>I hereby authorize the County FSA Office to release the warehouse receipts identified below to the person or firm shown below. Release to be after payment of the loan obligations secured by such receipts.</i>					
1A. County FSA Office holding Warehouse receipts Any County FSA Office 999 Any Road Town, ST 99999-9999			WAREHOUSE RECEIPTS TO BE RELEASED 2. Commodity Wheat		
1B. County Office Telephone Number (Include Area Code)			3. Loan No. XX-XX-XXXX		
4. Release To (Name and Address) Farmers Coop Warehouse 999 Any Rd. Town, ST 9999-9999			5. Warehouse Receipt No.'s 9999		
Loan Repayment Information: Make draft payable to CCC and deliver to County FSA Office shown above.					
6. If Repayment is Received on Date (MM-DD-YYYY): 04-01-20XX					
7. Repayment Amount: \$ 6,388.14					
8. Compute daily amount of interest for the loan quantity to be Redeemed and round to the nearest cent, if known. (If repayment is made after date shown, in Item 6, call the County FSA Office at the phone number in Item 1B for the exact amount due): \$ 1.94					
9A. Signature of Producer (By) <i>/s/ Able Farmer</i>		9B. Title/Relationship of the Individual Signing in a Representative Capacity Self		9C. Date Signed (MM-DD-YYYY) 04-01-20XX	
10A. For the County FSA Committee BY <i>/s/ County Office Employee</i>		10B. Effective Date (MM-DD-YYYY) 11-20-20XX		10C. Authorization Void After Date (MM-DD-YYYY) 11-30-20XX	
NOTE: Form NOT VALID unless signed by both Producer (Item 9A) and Representative of the County FSA Office (Item 10A).					
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.					

759 Repayments and Releases (Continued)

E Distributing CCC-685's

Distribute copies of CCC-685 as follows:

- provide producer with **2** copies

Note: Producer is to provide 1 of these copies to the warehouse that will submit payment.

- keep a copy in pending file
- file the original in the loan folder when the warehouse receipt has been released and the payment has been submitted by the purchaser for receipt redemption.

760, 761 (Reserved)

Section 6 Calculating Market Loan Repayment Rates

762 General Information

A CCC-Determined Value

CCC-determined value is the lesser of the following:

- 30-calendar-day PCP
- alternative PCP
- announced rates, as applicable to other commodities.

CCC-determined value is the amount used to determine the LDP and market loan repayment rates.

B LDP Rate

The LDP rate is determined by the amount the applicable commodity loan rate exceeds the CCC-determined value according to paragraph 1004.

C Market Loan Repayment Rate

The market loan repayment rate is the lesser of the following:

- loan rate plus interest
- the 30-day-calendar method, as explained in subparagraph 785 B
- the alternative method, as explained in subparagraph 785 C that is either of the following:

- 5-calendar-day method for wheat, feed grains, soybeans, canola, flaxseed, and oil and nonoil sunflower seed

Note: The repayment rate for **nonoil** sunflowers (confectionary type) will occur at the lesser of the loan rate plus interest or oil sunflower seed repayment rate.

- alternative repayment method for pulse crops and other oilseeds, peanuts, wool, and mohair.

Notes: The repayment rates are **not** crop year specific and apply to all outstanding MAL's and to compute LDP's.

Complete market loan repayments according to paragraph 715 and Section 4.

763 Terminal Market Rates and County Differentials**A Terminal Market Rates**

County Offices are assigned 1 or 2 terminal markets for each commodity by AMS. The terminal market rates are used to determine the CCC-determined value.

B Rate Announcement

Terminal market rates are announced to the extent possible:

- daily, for canola, feed grains, flaxseed, soybeans, sun flowers, and wheat
- Friday, for oilseeds **except** canola, flaxseed, soybeans, and sun flowers.

Market rates are announced to the extent possible:

- Friday, for pulse crops
- Tuesday, effective at 12:01 a.m. Wednesday, for peanuts, wool, and mohair.

All terminal market rates and market rates are in effect until the next rate change is announced.

Example: The rate announced on Friday for wheat will be used for all nonworkdays until the next announcement of the rates on the first workday, as applicable.

AMS maintains and archives market prices for the public at www.fsa.usda.gov/programs-and-services/commodity-operations/commodity-operations-reports/index; scroll down and CLICK “**Market Prices**”. Select the applicable crop year.

763 Terminal Market Rates and County Differentials (Continued)**C Daily Market Rates**

The terminal market rates are downloaded from AMS and posted to **www.fsa.usda.gov/programs-and-services/commodity-operations/commodity-operations-reports/index**; scroll down and CLICK “Market Prices”.

Market prices for the current year are displayed by date. For prior years, the applicable rates will only be available when the user selects the applicable year near the top of the page and CLICKS “**GO**”.

The “Daily Market Rates” display all of the following:

- date of posting
- individual terminal market price closings from previous day
- commodity
- footnotes for adjusting terminal market prices for certain commodities.

763 Terminal Market Rates and County Differentials (Continued)**D County Average Location Differentials**

AMS will:

- provide a terminal market price to State Offices showing:
 - terminal markets assigned to each county for each commodity
 - county differential for each terminal market per commodity
- determine the terminal market price for each commodity at each terminal market
- maintain the daily market rates to make terminal market prices available to State and County Offices
- by telephone, immediately advise State Offices of terminal or differential changes and the effective date as they occur.

See subparagraph 225 J, 785 L, or Exhibit 11 for abbreviations for commodity, class, and terminal markets.

State Offices must:

- inform County Offices of:
 - the assigned terminal markets for each commodity
 - the county differential for each commodity
 - any changes AMS makes to assigned terminals or differentials
- contact PSD:
 - for requests to changes in county differentials
 - questions about the “Daily Market Rates” downloaded each day
 - for the establishment of a loan rate for a commodity in a County not previously determined
- contact AMS, through PSD, with questions about commodity differentials.

764 Loan Repayment Rates**A Determining Market Loan Repayment Rates**

See the following subparagraphs for examples on calculating repayment rates:

- subparagraphs F and G for **corn, grain sorghum, soybeans, barley, oats, canola, flaxseed, and oil and nonoil sunflower seed**
- subparagraphs H and I for **wheat**
- subparagraph J for **crambe, mustard seed, rapeseed, safflower, and sesame seed**
- subparagraph K for **pulse crops (lentils, dry peas, and small and large chickpeas).**

Daily market loan repayment and LDP rates are available at **www.fsa.usda.gov/programs-and-services/price-support/ldp-rates/index**. Click “Daily Commodity Rates”.

Weekly market loan repayment and LDP rates are available at **www.fsa.usda.gov/programs-and-services/price-support/Index**. Click “Weekly Commodity Rates”, select the applicable commodity.

The rates for prior days and crop years are available at **www.fsa.usda.gov/programs-and-services/price-support/Index**. Click “Daily Commodity Rates”, then click “Archived LDP/PCP”.

764 Loan Repayment Rates (Continued)

B 30-Calendar-Day Method

CCC determines market loan repayment rates based on average market prices during the preceding 30-calendar-day period.

For:

- **corn, grain sorghum, soybeans, barley, oats, canola, flaxseed, oil and nonoil sunflower seed, crambe, mustard seed, rapeseed, safflower, and sesame seed**, the 30-calendar-day method reflects a 30-calendar-day moving average of all terminal market prices for the crop, adjusted by the difference between the applicable national loan rate and county loan rate
- **wheat**, the 30-calendar-day method reflects a 30-calendar-day moving average of all terminal market prices for the specific class, adjusted by the difference between the applicable national average loan rate by class and county loan rate by class

Notes: The following displays the 2022 wheat national average loan rates by class.

Wheat Class	2022 National Average Loan Rate (Per Bu.)
Durum	\$3.61
Hard Red Spring	\$4.01
Hard Red Winter	\$2.91
Soft Red Winter	\$3.31
Soft White	\$3.76

See subparagraph L for a table of terminal markets by commodity.

- **pulse crops (lentils, dry peas, and small and large chickpeas)**, the 30-calendar-day method reflects a 30-calendar-day moving average of market prices for the crop, adjusted by the difference between the applicable national loan rate and applicable regional loan rate

Note: No adjustment is necessary for small and large chickpeas. There is **no** regional or county loan rate for small and large chickpeas.

- **wool and mohair**, CCC will determine and publish loan repayment rates based on average market prices during the preceding 30 calendar days and include the alternative repayment rate announced weekly in the normal manner.

764 Loan Repayment Rates (Continued)

C Alternative Method

For:

- **wheat, corn, grain sorghum, soybeans, barley, oats, canola, flaxseed, and oil and nonoil sunflower seed**, CCC determines market loan repayment rates based on an alternative rate

Note: The 5-calendar-day alternative method reflects a 5-calendar-day moving average of applicable terminal market prices adjusted by the following:

- applicable county differential
- 5-calendar-day average of applicable terminal market adjustments.
- **pulse crops (lentils, dry peas, and small and large chickpeas), crambe, mustard seed, rapeseed, safflower, sesame seed, wool, and mohair**, market loan repayment rates are determined based on a weekly rate, in the normal manner.

D Publication Frequency of Market Loan Repayment Rates

For:

- **wheat, corn, grain sorghum, soybeans, barley, oats, canola, flaxseed, and oil and nonoil sunflower seed**, the repayment rates are published daily, except on weekends, and are in effect until the next posting
- **pulse crops (lentils, dry peas, and small and large chickpeas), crambe, mustard seed, rapeseed, safflower, and sesame seed**, the repayment rates are published on Friday, except on weekends, and are in effect until the next posting
- **wool, mohair, and peanuts**, the repayment rates are published on Tuesday, effective at 12:01 a.m. on Wednesday, and are in effect until the next posting.

764 Loan Repayment Rates (Continued)**E Loan Repayment Rate Websites**

The market loan repayment rates are available at the following websites.

- For wheat, feed grains, soybeans, and other oilseeds,
<https://www.fsa.usda.gov/programs-and-services/price-support/Index>. CLICK
“Daily Commodity Rates”, CLICK “**Daily LDP Rates**”. Select State, county, and crop
year. CLICK “Enter”.
- For pulse crops,
<https://www.fsa.usda.gov/programs-and-services/price-support/Index>. CLICK
“Weekly Commodity Rates”, then CLICK “**Pulse Crop LDP Rates**”.
- For wool and mohair,
<https://www.fsa.usda.gov/programs-and-services/price-support/Index>. CLICK
“Weekly Commodity Rates”, then CLICK “**Wool and Mohair LDP Rates**”.
- For archived LDP/PCP rate and rates for previous crop years,
<https://www.fsa.usda.gov/programs-and-services/price-support/Index>. CLICK
“Daily Commodity Rates, then CLICK “**Archived LDP/PCP**”. Select applicable State,
County, Crop year, Beginning Date, Ending Date, and Commodity. CLICK “Run
Report”.

764 Loan Repayment Rates (Continued)

F Example of Market Loan Repayment Rate Calculation Using the 30-Calendar-Day Method for Corn, Grain Sorghum, Soybeans, Barley, Oats, Canola, Flaxseed, and Oil and Nonoil Sunflower Seed

For the 30-calendar-day method for **corn, grain sorghum, soybeans, barley, oats, canola, flaxseed, and oil and nonoil sunflower seed**, calculate the repayment rates as follows.

Note: For this example, **corn** repayment rates for **October 1 in McLean County, Illinois**, were calculated.

Step	Action
1	Go back 30 calendar days from October 1 (September 1 through September 30). Note: The repayment rate is based on a moving average. Therefore, to calculate the repayment rate for October 2, the user needs terminal market price data for the previous 30 calendar days (September 2 through October 1).
2	Starting with the September 1 data, add all corn terminal market prices and divide by 10. Record the unrounded result as the average terminal market price for September 1. Note: See subparagraph L for the number of terminal markets. Divide by: • 10 for “YC” • 8 for “YSB” • 6 for “SOR” • 5 for “BAR” • 2 for “OAT” • 4 for “CAN” • 3 for “FLX” • 2 for “SUN/SFN”.
3	Repeat step 2 for the next 29 calendar days.
4	Add all unrounded results from September 1 through September 30 and divide by 30. Record the result as a rounded number (\$X.xx).
5	Subtract the national loan rate from the result in step 4.
6	Add the county loan rate to the result in step 5.
7	Record the answer from step 6. This is the 30-calendar-day loan repayment rate for corn in McLean County, Illinois, for October 1.

The effective market loan repayment rate for corn in McLean County, Illinois, for October 1 is the **lower** of either the 30-calendar-day or 5-calendar-day method (subparagraph G).

764 Loan Repayment Rates (Continued)

G Example of Loan Repayment Rate Calculation Using the 5-Calendar-Day Method for Corn, Grain Sorghum, Soybeans, Barley, Oats, Canola, Flaxseed, and Oil and Nonoil Sunflower Seed

For the 5-calendar-day method for **corn, grain sorghum, soybeans, barley, oats, canola, flaxseed, and oil and nonoil sunflower seed**, calculate the repayment rates as follows.

Note: For this example, **corn** repayment rates for **October 1 in McLean County, Illinois**, were calculated.

Step	Action
1	Go back 5 calendar days from October 1 (September 26 through September 30). Note: The repayment rate is based on a moving average. Therefore, to calculate the repayment rate for October 2, the user needs terminal market price data for the previous 5 calendar days (September 27 through October 1).
2	Starting with the September 26 data, record each applicable corn terminal market price as a rounded number (\$X.xx). The terminal market pricing points assigned to McLean County, Illinois, are Gulf (“GLF”) and Decatur (“TKO”).
3	Repeat step 2 for the next 4 calendar days.
4	Add all rounded results from September 26 through September 30 for each applicable terminal market and divide each result by 5. Record each result as a rounded number (\$X.xx).
5	Subtract from the recorded result in step 4, and for each assigned terminal market, the following: - the assigned county differential for that specific terminal market - the calculated 5-calendar-day average terminal market adjustments for that specific terminal market.
6	Record the answer for each assigned terminal market.
7	The higher result in step 6 will be the alternative loan repayment rate for corn in McLean County, Illinois, for October 1.

The effective market loan repayment rate for corn in McLean County, Illinois, for October 1 is the **lower** of either the 30-calendar-day (subparagraph F) or 5-calendar-day method.

764 Loan Repayment Rates (Continued)

H Example of Market Loan Repayment Rate Calculations Using the 30-Calendar-Day Method for Wheat

For the 30-calendar-day method for **wheat**, calculate the repayment rates as follows.

Note: For this example, **HRW wheat** repayment rates for **October 1 in Mitchell County, Kansas**, were calculated.

Step	Action
1	Go back 30 calendar days from October 1 (September 1 through September 30). Note: The repayment rate is based on a moving average. Therefore, to calculate the repayment rate for October 2, the user needs terminal market price data for the <u>previous 30 calendar days</u> (September 2 through October 1).
2	Starting with the September 1 data, add all HRW wheat terminal market prices and divide by 6. Record the unrounded result as the average terminal market price for September 1. Note: See subparagraph L for the number of terminal markets. Divide by: • 6 for “HRW” • 2 for “HRS” • 6 for “SRW” • 3 for “SWH” • 4 for “HAD”.
3	Repeat step 2 for the next 29 calendar days.
4	Add all unrounded results from September 1 through September 30 and divide by 30. Record the result as a rounded number (\$X.xx).
5	Subtract the wheat national average loan rate by class (see table in subparagraph 764 B) from the result in step 4.
6	Add the county loan rate to the result in step 5.
7	Record the answer from step 6. This is the 30-calendar-day loan repayment rate for HRW wheat in Mitchell County, Kansas, for October 1.

The effective market loan repayment rate for HRW wheat in Mitchell County, Kansas, for October 1 is the **lower** of either the 30-calendar-day or 5-calendar-day method (subparagraph I).

764 Loan Repayment Rates (Continued)

I Example of Market Loan Repayment Rate Calculations Using the 5-Calendar-Day Method for Wheat

For the 5-calendar-day method for **wheat**, calculate the repayment rates as follows.

Note: For this example, **HRW wheat** repayment rates for **October 1 in Mitchell County, Kansas**, were calculated.

Step	Action
1	Go back 5 calendar days from October 1 (September 26 through September 30). Note: The repayment rate is based on a moving average. Therefore, to calculate the repayment rate for October 2, the user needs terminal market price data for the previous 5 calendar days (September 27 through October 1).
2	Starting with the September 26 data, record each applicable HRW wheat terminal market price as a rounded number (\$X.xx). The terminal market pricing points assigned to Mitchell County, Kansas, are Gulf (“GLF”) and Kansas City (“KCM”).
3	Repeat step 2 for the next 4 calendar days.
4	Add all rounded results from September 26 through September 30 for each applicable terminal market and divide each result by 5. Record each result as a rounded number (\$X.xx).
5	Subtract from the recorded result in step 4, and for each assigned terminal market, the following: - the assigned county differential for that specific terminal market - the calculated 5-calendar-day average terminal market adjustments for that specific terminal market.
6	Record the answer for each assigned terminal market.
7	The higher result in step 6 will be the alternative loan repayment rate for HRW wheat in Mitchell County, Kansas, for October 1.

The effective market loan repayment rate for HRW wheat in Mitchell County, Kansas, for October 1 is the **lower** of either the 30-calendar-day (subparagraph H) or 5-calendar-day method.

764 Loan Repayment Rates (Continued)

J Example of Market Loan Repayment Rate Calculations for Crambe, Mustard Seed, Rapeseed, Safflower, and Sesame Seed

The 30-calendar-day method for **crambe, mustard seed, rapeseed, safflower, and sesame seed**, calculate the repayment rates as follows.

Note: For this example, **safflower** repayment rates for **October 1 in McLean County, Illinois**, were calculated.

Step	Action
1	Go back 30 calendar days from October 1 (September 1 through September 30). Note: The repayment rate is based on a moving average. Therefore, to calculate the repayment rate for October 2, the user needs terminal market price data for the previous 30 calendar days (September 2 through October 1).
2	Starting with the September 1 data, add all safflower terminal market prices and divide by 3. Record the unrounded result as the average terminal market price for September 1.
3	Repeat step 2 for the next 29 calendar days.
4	Add all unrounded results from September 1 through September 30 and divide by 30. Record the result as a rounded number (\$X.xx).
5	Subtract the national loan rate from the result in step 4.
6	Add the county loan rate to the result in step 5.
7	Record the answer from step 6. This is the 30-calendar-day loan repayment rate for safflower in McLean County, Illinois, for October 1.

For the **alternative** loan repayment rate, CCC determines a weekly rate in the normal manner.

The effective market loan repayment rate for safflower in McLean County, Illinois, for October 1 is the **lower** of either the 30-calendar-day or alternative repayment rate.

764 Loan Repayment Rates (Continued)

K Example of Market Loan Repayment Rate Calculations for Pulse Crops

For the 30-calendar-day method for **pulse crops (lentils, dry peas, and small and large chickpeas)**, calculate the repayment rates as follows.

Note: For this example, **lentil** repayment rates for **October 1 in Latah County, Idaho**, were calculated.

Step	Action
1	Go back 30 calendar days from October 1 (September 1 through September 30). Note: The repayment rate is based on a moving average. Therefore, to calculate the repayment rate for October 2, the user needs posted price data for the previous 30 calendar days (September 2 through October 1).
2	Starting with the September 1 data, record the rounded result (\$X.xx) of the posted price for September 1.
3	Repeat step 2 for the next 29 calendar days.
4	Add all rounded results from September 1 through September 30 and divide by 30. Record the result as a rounded number (\$X.xx).
5	Subtract the national loan rate from the result in step 4.
6	Add the applicable regional loan rate to the result in step 5. Note: For small and large chickpeas, no adjustment is necessary. There is no regional loan rate for small and large chickpeas.
7	Record the answer from step 6. This is the 30-calendar-day loan repayment rate for lentils in Latah County, Idaho, for October 1.

For the **alternative** loan repayment rate, CCC determines a weekly rate in the normal manner.

The effective market loan repayment rate for lentils in Latah County, Idaho, for October 1 is the **lower** of either the 30-calendar-day or alternative repayment rate.

764 Loan Repayment Rates (Continued)

L Terminal Markets

Following is a table reflecting all terminal markets for all applicable commodities.

Note: The abbreviation definitions for the commodities and terminal markets are available at www.fsa.usda.gov/Internet/FSA_File/co_rpt_abbreviations.pdf.

Terminal Markets	Commodity						
	Wheat HRW	Wheat HRS	Wheat SRW	Wheat SWH	Wheat HAD	Corn YC	Sorghum SOR
AMA	X					X	
ARL							
AUG							
CAR							
CIN			X			X	X
COL							
COR							
EVN			X				
FAR							
GLD							
GLF	X		X			X	X
GFK							
GRF							
KCM	X		X			X	
LOS					X		
MEM			X			X	X
MIN	X	X			X	X	
NCD							X
PAR							
PNW	X	X		X	X	X	
RDW							
RIC							
SCD							X
TOL			X	X		X	
TKO						X	
VEL							
WCD	X			X	X	X	X

764 Loan Repayment Rates (Continued)

L Terminal Markets (Continued)

Terminal Markets	Commodity						
	Soybeans YSB	Barley BAR	Oats OAT	Canola CAN	Flaxseed FLX	Oil Type SUN	Sunflower Seed SFN
AMA							
ARL				X			
AUG				X			
CAR							
CIN	X						
COL							
COR							
EVN							
FAR					X	X	X
GLD						X	X
GLF	X	X					
GFK							
GRF					X		
KCM	X	X					
LOS							
MEM	X						
MIN	X	X	X				
NCD							
PAR							
PNW	X	X	X				
RDW				X	X		
RIC							
SCD							
TOL	X						
TKO	X						
VEL				X			
WCD		X					

764 Loan Repayment Rates (Continued)

L Terminal Markets (Continued)

Terminal Markets	Commodity				
	Crambe CRA	Rapeseed RAP	Mustard Seed MUS	Safflower SAF	Sesame Seed SEM
AMA					
ARL					
AUG					
CAR	X				
CIN					
COL				X	
COR				X	
EVN					
FAR					
GLD					
GLF					
GFK			X		
GRF		X	X		
KCM					
LOS					
MEM					
MIN					
NCD					
PAR					X
PNW					
RDW					
RIC				X	
SCD					
TOL					
TKO					
VEL					
WCD					

765 Calculating CCC-Determined Value

A PCP (30-Calendar-Day and Alternative Repayment Rates)

PCP is the price used to determine the CCC-determined value for all commodities **except** pulse crops, wool, mohair, rice, and peanuts.

PCP is:

- **not** adjusted for premiums and discounts when determining the market repayment rate
- **not** adjusted for premiums and discounts when determining the LDP rate
- **not** adjusted when loan rates are discounted to a set percentage for nonrecourse loans on:
 - commodities harvested as other than grain
 - contaminated commodities
 - low quality commodities
- calculated for each terminal assigned to the County Office for the commodity, as applicable
- calculated by class for wheat **only**.

Notes: To determine PCP for Hard White Wheat or Hard Winter Wheat, use the loan rate and differential applicable to Hard Red Winter Wheat.

For sunflower seed oil and nonoil types, use the sunflower seed oil terminal market price to calculate the CCC-determined value.

765 Calculating CCC-Determined Value (Continued)**B RCP**

RCP is the price used to determine the CCC-determined value for oilseeds **only**.

RCP is:

- **not** adjusted for premiums and discounts when determining the market repayment rate
- **not** adjusted for premiums and discounts when determining the LDP rate
- **not** adjusted when loan rates are discounted to a set percentage for nonrecourse loans on:
 - commodities harvested as other than grain
 - contaminated commodities
 - low quality commodities
- calculated for each region assigned to the County Office for the commodity, as applicable.

765 Calculating CCC-Determined Value (Continued)**C Calculating the CCC-Determined Value**

Calculate the CCC-determined value:

- daily for canola, feed grains, flaxseed, oil and nonoil sunflower seeds, soybeans, and wheat
- every Friday for crambe, mustard seed, rapeseed, safflower, and sesame seed
- every Friday for large and small chickpeas, dry peas, and lentils
- using the terminal markets or market rates assigned for each commodity, as applicable.

The CCC-determined value is the lowest value between the 30-calendar-day or alternative PCP.

Note: The alternative PCP is the higher value resulting from applicable terminal markets assigned to county (subparagraph 764 G and I).

Determine the:

- LDP rate by subtracting the CCC-determined value from the county loan rate, as applicable
- market gain by subtracting the CCC-determined value from the county loan rate, as applicable.

If the CCC-determined value is higher than the applicable county loan rate, there is **no**:

- LDP in effect for that day and requests are not applicable
- market gain earned, but producer may obtain forgiven interest, as applicable.

For loans, always use the county loan rate, terminal markets, and location differentials applicable to where the commodity was stored at the loan disbursement when determining the CCC-determined value.

765 Calculating CCC-Determined Value (Continued)

D Grade Discounts for Amber Durum and Durum Wheat

To determine the CCC-determined value for amber durum or durum wheat loans or LDP's, subtract the discount for Amber Durum or Durum shown on the "Daily Market Rates" from the applicable terminal market price.

E CCC-Determined Value

County Offices will obtain loan repayment information, PCP's, and LDP rates from PSD's website. See subparagraph 764 E for additional information.

766-773 (Reserved)

Section 7 CCE for Loan Collateral**774 General Information****A Availability**

Beginning with the 2015 crop year, producers may purchase commodity certificates at their County Office and immediately exchange for outstanding nonrecourse loan collateral.

CCE provisions are only applicable when the loan rate exceeds the exchange rate.

B Process

The following table describes the high-level process to exchange commodity certificates for outstanding loan collateral on an already disbursed MAL in a County Office.

Step	Action
1	Producer or producer's agent requests to exchange outstanding loan collateral using commodity certificates.
2	The County Office identifies loan and loan quantity and determines exchange value.
3	The producer purchases commodity certificate from the County Office for the exact dollar value needed to exchange the outstanding loan collateral.
4	The producer signs CCC-694-2 and uses it to exchange the outstanding loan collateral.
5	The County Office releases the loan collateral.

774 General Information (Continued)

C General CCE Policy

CCE's:

- apply to harvested, shorn and/or ginned crops that are either of the following:
 - farm-stored
 - represented by a warehouse receipt for which CCC is the holder
- must **not** be applied to any quantity for which an outstanding CCC-697 exists
- **cannot** occur unless the commodity is first placed under a nonrecourse MAL.

Commodity certificates are **not** issued for any of the following:

- commingled commodities stored at unapproved/unlicensed warehouses
- CCC-owned inventory.

Commodity loan gains from loan collateral exchanged with commodity certificates for loan collateral are:

- not subject to:
 - payment limitation
 - actively engaged, member contribution and cash rent tenant provisions
 - AGI provisions
- automatically attributed through CLPS for all commodities except cotton
- reported to IRS on an IRS-1099-G statement.

Note: Commodity loan gain means the difference between the loan principal amount and the CCC-determined value of the commodity certificate used to exchange the loan collateral.

774 General Information (Continued)

D Eligible Producer

Eligible producers must:

- have an outstanding nonrecourse commodity loan, not past maturity, to purchase commodity certificates
- submit a signed CCC-694-2 with the purchase price of the commodity certificate to the County Office on the day of redemption to immediately exchange commodity certificates for loan collateral
- for turn-around loans
 - meet MAL eligibility requirements and retain BI
 - request the loan by the final loan availability date.

The following may purchase a commodity certificate and exchange it for commodities on an outstanding loan:

- any producer who signed CCC-677 or CCC-678, as applicable
- a person with a valid FSA-211 for a producer who signed CCC-677 or CCC-678, as applicable.

Note: Only the signature of the producer purchasing the commodity certificate is required for joint loans.

774 General Information (Continued)

E Exchange Rate

The CCE rate or the CCC-determined value is based on the date the certificate is purchased and uses the following:

- AWP for rice and cotton
- NPP for peanuts
- PCP for all other commodities.

CCE's are applicable for honey only when the loan rate exceeds the monthly CCC honey survey price for MAL's.

F Commodities Eligible for CCE

Eligible loan commodities are included in the following table.

barley	flaxseed	mustard seed	safflower seed
canola	graded wool	non-graded wool	sesame seed
cotton – upland	grain sorghum	oats	small chickpeas
corn	honey	peanuts	Soybeans
crambe	large chickpeas	rapeseed	sunflower seed
dry peas	lentils	rice	Wheat

G CCC-697 – Request to Lock In a Market Loan Repayment Rate

CCE must **not** be applied to any quantity for which an outstanding CCC-697 exists.

774 General Information (Continued)

H Electronic Requests

Electronic forms and signatures are authorized for purchasing commodity certificates or exchanging the certificate for the commodity.

I CCE Options

There are 3 options available to request commodity certificates for exchange for loan collateral.

- **Turn-around loan** is requested by a producer at the loan servicing office to purchase a commodity certificate for immediate exchange of the entire loan quantity.
- **Commodity certificate purchase** by a producer at the loan servicing office for immediate exchange of all or part of the loan collateral provided the loan maturity date has not been reached and/or the loan is not in violation.
- **Redemption by agent, buyers, and alternative delivery partners** will be processed as a commodity certificate exchange if the exchange rate is in effect at the time of the redemption. **(For cotton and peanuts only)**

775 CCC-694-2**A Purpose and Use of CCC-694-2**

CCC-694-2 is the producer's acknowledgement of the commodity certificate purchase and immediate exchange for the producer's outstanding loan collateral.

A separate CCC-694-2 must be completed and filed in the producer's loan folder for each loan being exchanged at one time for the same producer if either of the following CCE options are selected:

- turn-around loan – option 8A
- commodity certificate purchase – option 8B.

For cotton and peanuts, only one CCC-694-2 is required for each producer for each crop for the entire crop year if the CCE option of redemptions by agents, buyers, and alternative delivery partners, option 8C, is selected.

775 CCC-694-2 (Continued)

B Completing CCC-694-2

The CCC-694-2 is available in CLPS to print when the repayment has been successfully processed, and is only to be printed at this time if the producer requests option 8B, immediate CCE on an outstanding MAL.

County Offices **must** obtain the CCC-694-2 from the FFAS Employee Forms/Publications Website and manually complete when either of the following options is selected:

- option 8A for the CCE turn-around loan before processing the turn-around loan in CLPS
- option 8C for all transactions for cotton and peanut MALs redeemed by agents, buyers, and alternative delivery partners.

For the manually completed CCC-694-2, at this time, the County Office must complete CCC-694-2 items 1 and 2 for both options 8A and C, and items 4 through 7, only if option 8A and selected. For all options, the producer must complete items 8 through 10.

Notes: CCC-694-2 is available on the Employee Forms/Publications Website at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>.

CCC-694-2 must **never** leave the County Office.

The completed CCC-694-2 must be placed in the producer's applicable loan folder.

775 CCC-694-2 (Continued)

B Completing CCC-694-2 (Continued)

Complete CCC-694-2 according to the following table.

Item	Instructions
1	Enter the crop year.
2	Enter the name and address of the producer requesting CCE. Note: Agents designated only by CCC-605 or CCC-605P are not authorized to request a CCE turn-around loan.
3	No entry required.
4	If box 8A or 8B is checked, enter the check number received from the certificate buyer. If box 8C and/or 8D is checked, no entry is required in this box.
5	If box 8A or 8B is checked, enter the date check received from the certificate buyer. If box 8C and/or 8D is checked, no entry is required in this box.
6	If box 8A or 8B is checked, enter the check amount received from the certificate buyer. If box 8C and/or 8D is checked, no entry is required in this box.
7	Enter the CLPS assigned commodity certificate transaction number that prints on the CCC-500M when the repayment is processed. If box 8C is checked, no entry is required in this box.
8	Check the box next to the applicable action in items 8A through 8C. If either box 8A or 8B is checked, no other boxes can be checked.
8A	Enter an "X" for a turn-around loan only. A new CCC-694-2 is required for each turn-around loan request. Note: Lien searches are not required for immediate exchanges with commodity certificates.

775 CCC-694-2 (Continued)

B Completing CCC-694-2 (Continued)

Item	Instructions
8B	Enter an “X” for an immediate Commodity Certificate Exchange purchase for the date signed only. A new CCC-694-2 is required for each certificate repayment/redemption.
8C	For cotton and peanuts only, producers must enter “X” in this box if all outstanding MAL’s are to be redeemed by designated agents, buyers, or alternative delivery partners as CCE at the rate in effect on the date of redemption. This request is good for all applicable outstanding loans(s) for a specified commodity for the entire crop year, and required to be submitted by all producer(s).
8D	For previous redemptions and loan gains for 2015 crop only, producers must enter an “X” in this box to indicate that all previous 2015 crop year MAL redemptions processed through ACRS, CCR, or CLPS are to be converted to CCE at the applicable exchange rate in effect at the time the original redemption occurred. This request is good for all prior redemptions on applicable loan(s), and required to be submitted by all producer(s).
9	No entry required – producer certification agreeing to the terms to purchase a commodity certificate for exchange of outstanding MAL collateral.
10	Obtain the signature of the producer(s) and the date signed. Note: Agents designated only by CCC-605 or CCC-605P are not authorized to request a CCE turn-around loan.
11	Enter any applicable remarks. See subparagraph 777 B, step 5, if a CCE using option 8C was selected.

775 CCC-694-2 (Continued)

C Example of CCC-694-2

The following is an example of CCC-694-2.

See Page 2 for Privacy Act and Paperwork Reduction Act Statements.			
CCC-694-2 (05-15-23)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
ACKNOWLEDGMENT OF COMMODITY CERTIFICATE PURCHASE			1. Crop Year
2. Name and Address of Contact Producer		3. Name of Seller: COMMODITY CREDIT CORPORATION	
PART A - COMMODITY CERTIFICATE EXCHANGE IDENTIFICATION			
4. Check Number	5. Check Date	6. Check Amount \$	7. Commodity Certificate Transaction Number(s)
PART B - PRODUCER REQUEST			
8. Check the applicable request to purchase a Commodity Certificate and agree to the following statement:			
☐ A. Turn-around loan – purchase commodity certificates for immediate exchange of the entire loan quantity. Required for each turn around loan request. “I acknowledge that this is a request for an immediate exchange of loan collateral for a commodity certificate, to be applicable to the attached list of cotton bales, peanut warehouse receipts, or those commodities listed on the CCC-666 which I am submitting concurrently, and is an irrevocable request that cannot be altered or withdrawn under any circumstances.”			
☐ B. Commodity Certificate Purchase by a producer at the loan servicing office for immediate exchange of all or part of the loan collateral provided the loan maturity date has not been reached and/or the loan is not in violation. Required for each redemption.			
☐ C. COTTON AND PEANUT - Redemptions by Agents, Buyers, and Alternative Delivery Partners - ALL transactions are to be processed as commodity certificate exchanges if the exchange rate is in effect at the time of the redemption. Required by each Producer.			
PART C - PRODUCER AGREEMENT			
9. I acknowledge: (1) receipt of Commodity Credit Corporation (CCC) Commodity Certificate which I requested to purchase from CCC; (2) that the certificate will be exchanged with CCC in the manner specified in CCC regulations at 7 CFR Part 1401 in order that I may receive commodities from CCC which had been pledged as collateral for a CCC marketing assistance loan; and (3) that for purposes of valuing the commodity acquired under this transaction, such value will be the marketing loan repayment rate applicable under 7 CFR Parts 1421 (<i>commodities other than upland cotton and honey</i>), 1427 (<i>upland cotton</i>) and 1434 (<i>honey</i>) for the commodity determined as of the day I made payment to CCC for the commodity.			
10A. Producer's Signature (By)		10B. Title/Relationship of the Individual Signing in the Representative Capacity	10C. Date (MM-DD-YYYY)
10A. Producer's Signature (By)		10B. Title/Relationship of the Individual Signing in the Representative Capacity	10C. Date (MM-DD-YYYY)
11. REMARKS:			

C Example of CCC-694-2 (Continued)

CCC-694-2 (05-15-23)

Page 2 of 2

NOTE: ***Privacy Act Statement:** 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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (7 U.S.C. 9034), 7 CFR Part 1401, 7 CFR Part 1421, and 7 CFR Part 1427. The information will be used to determine eligibility to participate in and receive benefits under a CCC loan program through documentation of producer/producer's representative acknowledgement of the commodity certificate purchase. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under a CCC loan program.*

Paperwork Reduction Act (PRA) Statement:** The information collection is exempted from the Paperwork Reduction Act as specified in 7 U.S.C. 9091(c)(b)(B). **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.

***Non-Discrimination Statement:** In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

775 CCC-694-2 (Continued)**D Commodity Certificate Transaction ID Number in Item 7 on CCC-694-2**

Each commodity certificate transaction will be identified by a unique 12-digit transaction ID number automatically assigned when the loan repayment has been successfully processed in CLPS. Upon completion of the CCE in CLPS, this number is printed on both of the following:

- CCC-500M
- CCC-694-2 item 7 when the county office employee prints the CCC-694-2 through CLPS for option 8B.

776 Process for CCE in the County Office for All Commodities Except Peanuts and Cotton

A CCE Process in the County Office for Outstanding Loans

County Offices will exchange commodity certificates according to the following table for outstanding loans, option 8B on CCC-694-2, before maturity.

Step	Function
1	Producer requests to exchange outstanding loan collateral using a commodity certificate. Note: The option to print the CCC-694-2 and obtain the producer's signature will be available after the CCE has been processed in CLPS.
2	County Office identifies the loan and determines the amount needed for the quantity the producer wishes to repay using CLPS, "Commodity Certificate" repayment option. If the producer requests to repay the entire MAL, select the "Full" repayment option. If this is a partial repayment, select the "Partial" repayment option.
3	County Office will complete the CCE in CLPS according to 16-PS: • subparagraph 710 C • subparagraphs 714 A through C • paragraphs 715 and 716. Important: Do not finalize the repayment in CLPS until the producer provides the check for the exact dollar value required to purchase the commodity certificate.
4	On the Repayment Confirmation Screen in CLPS and according to 16-PS, paragraph 717, the County Office will have the option to print and must print both of the following: • CCC-500M – repayment receipt • CCC-694-2.
5	Producer checks option 8B and signs CCC-694-2, printed in the previous step, acknowledging the purchase of the commodity certificate for the exact dollar value needed to exchange for the outstanding loan collateral.
6	The County Office releases the loan collateral.

776 Process for CCE in the County Office for All Commodities Except Peanuts and Cotton (Continued)

B Turn-Around Loan Requests for Immediate CCE in the County Office

County Offices will exchange commodity certificates according to the following table for turn-around loans, option 8A on CCC-694-2, requested for immediate CCE.

Step	Function
1	Producer requests to obtain a loan for immediate exchange with a commodity certificate. Note: Producer is required to complete CCC-666, CCC-633WM or CCC-633 (Honey) for the loan request.
2	The County Office must manually print and complete CCC-694-2, items 1 and 2. The producer must check box 8A, and sign and date in item 10.
3	The County Office will process and approve the loan in CLPS according to 16-PS. County Office must use the date CCC-694-2 was signed and submitted to the County Office for an immediate exchange as the “COC Approval”, “Lien Search”, and “UCC-1” filing dates. Although lien searches and UCC-1 filings are not required for a turn-around loan, a date must be recorded in CLPS.
4	Producer signs the loan documents. The County Office approves the loan in CLPS and disburses the loan in NPS according to 1-FI.
5	County Office determines the commodity certificate dollar value required to repay the entire loan quantity by using CLPS, “Commodity Certificate” repayment option, and selects the “Full Repayment” option. The County Office enters this amount in item 6 of CCC-694-2. Important: The County Office must not complete the repayment in CLPS until the producer provides the check for the exact dollar value required to purchase the commodity certificate.
6	After the producer provides a check for the purchase of the commodity certificate, the County Office will process the repayment for the entire loan quantity as a “Commodity Certificate” and “Full Repayment” in CLPS using the applicable price in effect on the date the turn-around loan was requested, and CCC-694-2 was signed and submitted to the County Office. The remittance for the commodity certificate purchase will be entered in CLPS during the repayment process and sent to NRRS.
7	County Office will enter Commodity Certificate transaction number automatically assigned by CLPS and printed on the CCC-500M, item 7, on CCC-694-2.
8	The County Office releases the loan collateral.

777 CCE for Peanut MAL Collateral in a County Office**A Manual CCE Process for Outstanding Peanut MAL's using Option 8B**

County Offices will exchange the commodity certificates according to the table in subparagraph 776 A for outstanding loans, option 8B on CCC-694-2, before maturity.

B CCE Process for Outstanding Peanut MAL's Using Option 8C

County Offices will process CCE according to this table for outstanding peanut MAL's before maturity if item 8C on CCC-694-2 is selected.

Step	Function
1	Producer requests or has previously requested and completed CCC-694-2 with item 8C checked which indicates that all peanut redemptions from a designated agent, buyer or alternative delivery partner for this producer will be processed as CCE at the exchange rate in effect at the time of the redemption. Item 8C is applicable to any peanut MAL redemptions for this producer in the crop year indicated in item 1.
2	The County Office: - receives remittance from a designated agent, buyer or alternative delivery partner for a specific loan and quantity - identifies loan, loan quantity, and determines repayment value using the CLPS software "Commodity Certificate" and either "Partial" or "Full" repayment options using NPP in effect on the date the repayment is received.

777 CCE for Peanut MAL Collateral in a County Office

B CCE Process for Outstanding Peanut MAL's Using Option 8C (Continued)

Step	Function
3	The County Office completes the CCE in CLPS according to 16-PS: • subparagraph 710 C • subparagraphs 714 A through C • paragraphs 715 and 716. The remittance for the commodity certificate purchase will be entered in CLPS during the repayment process and sent to NRRS
4	On the Repayment Confirmation Screen in CLPS and according to 16-PS, paragraph 717, the County Office will have the option to print both of the following: • CCC-500M • CCC-694-2. The County Office does not have to reprint the CCC-694-2 because they already have one on file for this producer and crop year. But, the CCC-500M must be printed. Note: The CCC-500M will have a Commodity Certificate transaction number displayed in the remarks section.
5	In the "Remarks" section of the CCC-694-2 for this producer, the County Office must enter the following: • loan number and date CCE repayment was made using this CCC-694-2 • transaction number of the repayment. Note: A new transaction number will be given to each loan redemption by a designated agent, buyer, or alternative delivery partner for the crop year. If there is not enough room to record all the CCE repayments for this producer in the remarks section of the CCC-694-2, the County Office will record this information on the back of the CCC-694-2. If additional room is still needed, attach another sheet to the CCC-694-2 to record the information.
6	The County Office releases the loan collateral.

777 CCE for Peanut MAL Collateral in a County Office – Phase 1 (Continued)

C Requests for Turn-Around Peanut MAL's for Immediate Exchange with Commodity Certificates

County Offices will exchange the commodity certificate according to this table for peanut MAL turn-around loans, option 8A on CCC-694-2, requested for immediate CCE.

Step	Function
1	Producer requests a loan for immediate exchange with a commodity certificate. Note: A peanut MAL turn-around loan must be requested on CCC-666
2	The County Office must print from the Employee Forms/Publications Website and manually complete the CCC-694-2, items 1 and 2. The producer must check box 8A, and sign and date in item 10.
3	The County Office will process and approve the loan in CLPS according to 16-PS. Note: The County Office must use the date CCC-694-2 was signed and submitted to the County Office for an immediate exchange as the “COC Approval”, “Lien Search”, and “UCC-1” filing dates. Lien searches and UCC-1 filings are not required to request turn-around loan, but a date must be recorded in CLPS.
4	Producer signs the loan documents. The County Office approves the loan in CLPS and disburses the loan in NPS according to 1-FI.
5	The County Office determines the commodity certificate dollar value required to repay the entire loan by using the CLPS software “Commodity Certificate” and “Full” repayment options, using the NPP in effect on the date the turn-around loan was requested, and CCC-694-2 was signed and submitted to the County Office. This value is entered on CCC-694-2, item 6. Important: Do not complete the repayment in CLPS until the producer provides the check for the exact dollar value required to purchase the commodity certificate.
6	After the producer provides a check for the purchase of the commodity certificate, the County Office will process the entire loan quantity for a “Commodity Certificate” and “Full” repayment using NPP in effect on the date CCC-694-2 was signed and submitted to the County Office. This should be the same date the turn-around loan was requested. The remittance for the commodity certificate purchase will be entered in CLPS during the repayment process and sent to NRRS.
7	The County Office releases the loan collateral. Note: Paper warehouse receipts must not be returned to producers and EWR's must not be released until the repayment is completed in CLPS.

A Using CCC-694-1 Page 2

County Offices must use CLPS, “Commodity Certificate” and “Partial” or “Full” repayment options to determine the amount needed to purchase a commodity certificate to use as CCE for all commodities. If CLPS is not available, CCC-694-1 Page 2 can be used to determine the CCE amount necessary to purchase a commodity certificate for all commodities except peanuts and upland cotton.

For peanuts and upland cotton, CLPS must be used.

CCC-694-1 is available on the FFAS Employees Forms/Publication Website at <https://intranet.fsa.usda.gov/dam/ffasforms/forms.html>.

B Completing CCC-694-1 Page 2

If the County Office uses CCC-694-1 Page 2 to determine the amount needed to purchase a commodity certificate to use in CCE, complete as follows:

- 23 through 28 and 34 through 41 to determine the commodity certificate value needed
- 29 through 32 to complete the loan exchange.

Item	Instruction
23 and 34	Enter crop year and loan number, and commodity certificate transaction number. For multiple loan exchanges, enter this information in item 34, as applicable. If multiple loan exchanges are applicable, ENTER, "See Item 34" in item 23.
24	Enter the total commodity certificate value determined by multiplying item 25 times item 28.
25	Enter the total loan quantity to be exchanged. For multiple or partial loan exchanges, include item 39 in the total entered in item 25, as applicable.
26	Enter the loan rate, as applicable.
27	Enter the exchange date. This is the date the commodity certificate is purchased from CCC and is the date the CCC-694-2 is signed.
28	Enter the exchange rate. This is the exchange rate according to subparagraph 794 in effect on the date the commodity certificate is purchased, and the date CCC-694-2 is signed.
29	Enter the loan quantity to be redeemed. This number must be less than or equal to the number entered in item 25.
30	Enter the loan principal to be repaid by multiplying item 26 times item 29. For multiple loan exchanges, include the total loan principal from item 40.
31 and 32	Leave blank.
33	Enter remarks, as applicable.
34 and 41	Complete as necessary. Carry all totals to items 24, 25, and 30, as applicable.
42	Preparer must sign, date, and provide title, as applicable. County Offices must file CCC-694-1 and CCC-694-2 in the loan folder(s).

778 CCC-694-1 Page 2 (Continued)

C Example of CCC-694-1 Page 2

The following is an example of CCC-694-1 Page 2.

CCC-694-1 (08-01-16)		Page 2 of 2		
PART B - COMMODITY CERTIFICATE CALCULATION				
23. Transaction Number (cy-Ln No. - ID No.)		24. Total Commodity Certificate Value		25. Loan Quantity
		\$		
26. Loan Rate		27. Exchange Date		28. Exchange Rate
\$				\$
COMPLETING EXCHANGE FOR PLEDGED COLLATERAL:				
29. Exchange Quantity (Item 24 ÷ Item 28)	30. Loan Principal Repaid (Item 26 X Item 29)	31. Certificate Value Used (Item 29 X Item 28)	32. Certificate Value Remaining (Item 24 - Item 31)	
	\$	\$	\$	
33. Remarks				
34. Transaction Number (cy-Ln No. - ID No.)	35. Loan Quantity	36. Loan Principal	37. Exchange Rate	38. Certificate Value Needed
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
	39. Total Loan Quantity (Item 25)	40. Total Loan Principal (Item 30)		41. Total Certificate Value Needed (Item 24)
		\$		\$
42A. Signature of Person Who Completed Worksheet		42B. Title		42C. Date (MM-DD-YYYY)

779-788 (Reserved)

5-17-23

8-LP (Rev. 3) Amend. 1

Page 7-250
(through 7-278)

Section 8 Loan Maturity

789 Maturity Notification to Producers

A Preparing Lists of Maturing Loans

County Offices must print lists of maturing loans according to “Guide for Maturity Letters” under “Training Guides” available to State and County Employees on the FSA Intranet at <https://inside.fsa.usda.gov/program-areas/dafp/commodity-and-facility-loans/commodity-loans/mal/index>.

See Exhibit 34 for actions for nonrecourse warehouse-stored loans nearing, at, or after maturity.

B Preparing Maturity Notification Letters

County Offices will:

- use the instructions in the “User Guide for Creating Mal Maturity Letters” (Guide for Maturity Letters) to prepare the maturity notification letters
- send the applicable notification letter:
 - at least 45 calendar days, but **not** more than 60 calendar days, before maturity for farm and warehouse nonrecourse and recourse loans
 - at least 30 calendar days before maturity for distress loans
 - to applicable producers advising of the loan maturity date and the applicable options available according to subparagraph D
 - to inform producers of the additional maturity information according to subparagraph C
- for outstanding honey loans, see 2-LP Honey, paragraph 16.

The maturity notification letters serve as reminders to the producers. Nonreceipt of maturity notification letter does **not** negate the producer’s responsibility for repaying the outstanding loan principal plus interest, if applicable, by the maturity date provided on the CCC approved CCC-677 or CCC-678.

789 Maturity Notification to Producers (Continued)

C Additional Maturity Information

County Offices must ensure that producers are informed of the following additional maturity information, as applicable to the loan type.

For loans **not** repaid by the loan maturity date, on the next workday after maturity:

- delivery instructions will be issued with a demand letter for **nonrecourse farm-stored** loans regardless of whether a CCC-681-1 has been issued

Note: See Exhibit 18, subparagraph F.

- warehouse receipts will be forfeited on the day after loan maturity to CCC for any outstanding **nonrecourse warehouse-stored** loans
- for **farm- or warehouse-stored recourse** loans:
 - begin foreclosure proceedings according to paragraph 866 and Part 8, Section 3
 - establish receivables through NRRS, if applicable, according to Exhibits 13 and 19, subparagraphs A
 - 1 receivable will be established for the loan principal and a separate receivable will be established for the loan interest from disbursement to the date the receivable is established.

Repayments made **after** maturity and **before** queuing the forfeiture or settlement of the loan:

- may be accepted
- must be made at principal and charges plus interest.

Interest will continue to accrue at the interest rate applicable to the loan until the loan is repaid or transferred to receivables.

See paragraph 803 for **nonrecourse farm-stored** loans not delivered or repaid by expiration of CCC-691.

789 Maturity Notification to Producers (Continued)

D Options Available for Loans

County Offices will follow this table for options available to producers with maturing loans.

IF the loan is...	THEN the option available...
nonrecourse farm-stored or warehouse-stored	only through the loan maturity date if repaying with cash. Note: A CCE is not an option.
nonrecourse farm-stored	after the loan maturity date is delivery of the loan collateral to CCC.
nonrecourse warehouse-stored	after the loan maturity date is forfeiting the warehouse receipts, representing the loan collateral, to CCC.
recourse	only through the loan maturity date is repaying the outstanding loan principal and charges plus interest. Note: A receivable is established on the day after loan maturity, and any repayments will be made to the 2 receivables in NRRS.

E Loans Open After Maturity

County Offices must, for:

- nonrecourse farm-stored loans, send the applicable demand letter in Exhibit 18, subparagraph F, along with CCC-691 on the first day after maturity
- nonrecourse warehouse-stored loans, forfeit commodity receipt to CCC on the first day after maturity
- recourse loans, establish receivables in NRRS, according to Exhibits 13 and 19, subparagraphs A, “recourse loan” and “distress loan”.

If the commodity has **not** been delivered or repaid by the established time period, foreclosure proceedings will begin according to paragraph 866.

790-799 (Reserved)

Part 8 Farm-Stored Loan Settlement**Section 1 Preparing for Deliveries of Nonrecourse Loans****800 Preparing for Deliveries****A Preparing for Anticipated Deliveries**

Important: MAL settlement processing in CLPS is currently not available. If County Offices have producers delivering farm stored loan collateral to CCC, they must proceed with preparing and distributing the CCC-691. After the commodity has been delivered and the CCC-691 and warehouse receipt(s) returned to the County Office, State Offices must contact PSD for further instructions to complete the manual settlement.

Before loan maturity, CED or designee must contact approved UGRSA warehouses to determine whether local storage space is available.

Note: Delivery of farm-stored commodities to CCC can **only** be made to an approved warehouse under UGRSA. A current list of approved UGRSA warehouses by State, is available at https://publicdashboards.dl.usda.gov/t/MRP_PUB/views/WCMDDashboard/WCMDDashboard?%3AisGuestRedirectFromVizportal=y&%3Aembed=y.

See subparagraphs B and C for State and County Office action when storage space is unavailable or limited.

B Unavailable or Limited Storage Space

When storage space is unavailable or limited for handling deliveries in the local area, County Offices must contact the State Office for assistance in:

- locating approved and available UGRSA storage space
- planning for local sale for isolated farm-stored lots
- considering which of the following is to CCC's advantage:
 - paying excess haul beyond the normal delivery point according to subparagraph 817 E
 - local sale.

800 Preparing for Deliveries (Continued)

C State Office Action

When contacted by a County Office, the State Office will:

- contact AMS, through the PSD for assistance in making storage space available
- document and maintain records of these contacts.

D Scheduling Deliveries

County Offices will:

- work out a schedule of deliveries to approved warehouses for storage with the warehouse operator
- if possible, direct deliveries to warehouses at customary delivery points with the lowest handling and storage rates.

800 Preparing for Deliveries (Continued)**E Notification From AMS**

When notified by AMS, the State Office will advise affected County Offices:

- of warehouses, in the area designated by AMS, with excessive handling or storage charges
- of available alternate delivery locations
- to direct deliveries to other warehouses, if possible.

Only as a last alternative, direct deliveries to warehouses with excessive handling or storage charges. Warehouse offer rates for UGRSA approved warehouses are available to employees on the intranet at https://intranet-dotnet2.fsa.usda.gov/whserates/grain/warehouse_rates.asp.

F Producer Storing Commodity for CCC

When CCC is unable to take delivery of the commodity, CCC may require producers to retain and store the commodity for a 60-calendar-day period after maturity at **no** expense to CCC.

800 Preparing for Deliveries (Continued)**G Storage Credit**

County Offices will try to have deliveries completed within the 60-calendar-day period.

Storage credit:

- will begin on the 61st calendar day, according to subparagraph 817 C, if CCC **cannot** take delivery during the 60-calendar-day period
- must **not** be allowed to the producer at settlement if **any** of the following apply:
 - the delayed delivery is for the producer's convenience or conditions within the producer's control
 - the commodity is repaid
 - CCC-691 is issued within the 60- calendar-day period.

801 Issuing CCC-691's**A When to Issue CCC-691's**

For **nonrecourse** loans, County Offices must complete CCC-691, prepare demand letter, according to Exhibit 18, subparagraph F, and issue CCC-691:

- the next workday after the loan maturity date regardless whether CCC-681-1 is outstanding
- when any of the following occurs **after** the producer receives the maturity notice in Exhibit 18, subparagraph E:
 - producer notifies the County Office that the commodity will be delivered to CCC when the loan matures
 - producer does **not** notify the County Office of the option that will be taken to settle the loan
 - producer notifies the County Office that the loan will be repaid at maturity, but the producer has taken **no** action to settle the loan by the maturity date
 - producer does **not** repay the loan by the maturity date.

Note: NRRS receivables are **not** to be established on mature nonrecourse loans if the commodity is still in storage and eligible to be delivered to CCC. The borrower must be given due process and an opportunity to deliver the commodity to CCC or repay the loan. See Exhibit 18, subparagraph A for table of applicable actions.

For recourse loans after maturity, and repayment has **not** been received, do **not** issue CCC-691.

See Section 3 for completing local sales.

801 Issuing CCC-691's (Continued)

B CCC-691

The following is an example of CCC-691.

(See Reverse for Privacy Act and Paperwork Reduction Act Statements.)

CCC-691 (11-22-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation COMMODITY DELIVERY NOTICE			
1. Farm Number	2. Name and Mailing Address	3. Crop Year	4. Commodity	5. ST. & CO. Code	6. Loan No.
		7. Weed Control Discount is Applicable ☐	8. Voluntary Early Delivery Subject to Storage Deduction ☐		
		9. Outstanding Loan Quantity	10. Balance To Be Settled \$	11. Disbursement Date	
PART A - DELIVERY INSTRUCTIONS					
If you have an outstanding CCC commodity loan, you must deliver to the storage point specified below, by the date specified below, a quantity of the eligible commodity specified above having a loan value equivalent to the amount specified above as "Balance to be Settled".					
12. Maximum Quantity for Delivery: ☐ Pounds ☐ Bushels ☐ CWT ☐ Bales ☐ Other (specify):					13. Quantity
14. Deliver to (Name, code number, and location of warehouse or other approved storage)				15. Weighing Location	16. Final Date To Deliver
17. Commodity Credit Corporation		Date		18. Name and Address of County FSA Office	
By:					

INSTRUCTIONS

1. In accordance with Part A above, you must deliver sufficient quantity for settlement of any outstanding loans. You should refer to your loan agreement for additional details concerning your obligations to CCC.
2. Deliver only that eligible commodity produced by you on your eligible farm. Do not substitute any other production or purchased commodity.
3. If there is a lien on the commodity, you must secure a lien waiver (Form CCC-679) before delivery is made.
4. The settlement value of your commodity will be based on the quantity, class, grade and quality delivered as recorded on the Commodity Delivery Notice. Settlement will be made as provided in the CCC commodity loan program regulations.
5. If you have received a farm storage loan and the value of the commodity delivered does not liquidate the outstanding balance, you will expected to remit the deficiency promptly upon notification by CCC.
6. It is your responsibility to be sure that the grade and quality determination is proper and based on a representative sample from each load delivered. If you do not agree with the warehouse operator with respect to the grade and quality determination of the warehouse operator, you may appeal such determination to the Federal Grain Inspection Service.

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. This information is issued to you according to the provisions of the CCC commodity loan program at 7 CFR Parts 1421, 1427, and 1435. The information is required in order to settle your outstanding loan. Failure to sign this document may delay settlement of your loan. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.

Paperwork Reduction Act Statement: This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration). **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

PRODUCER'S DELIVERY NOTICE

801 Issuing CCC-691's (Continued)

B CCC-691 (Continued)

(See Reverse for Privacy Act and Paperwork Reduction Act Statements.)

CCC-691 (11-22-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation COMMODITY DELIVERY NOTICE							
1. Farm Number	2. Name and Mailing Address	3. Crop Year	4. Commodity	5. ST. & CO. Code	6. Loan No.				
		7. Weed Control Discount is Applicable ☐	8. Voluntary Early Delivery Subject to Storage Deduction ☐						
		9. Outstanding Loan Quantity	10. Balance To Be Settled \$	11. Disbursement Date					
PART A - DELIVERY INSTRUCTIONS									
If you have an outstanding CCC commodity loan, you must deliver to the storage point specified below, by the date specified below, a quantity of the eligible commodity specified above having a loan value equivalent to the amount specified above as "Balance to be Settled".									
12. Maximum Quantity for Delivery: ☐ Pounds ☐ Bushels ☐ CWT ☐ Bales ☐ Other (specify):					13. Quantity				
14. Deliver to (Name, code number, and location of warehouse or other approved storage)			15. Weighing Location		16. Final Date To Deliver				
17. Commodity Credit Corporation			18. Name and Address of County FSA Office						
By: _____ Date _____									
PART B - GRADE AND QUANTITY DETERMINATION (If additional space needed, use Form CCC-691-1)									
19. The undersigned hereby certify (1) that a representative sample was secured from each lot of the commodity described above at the time it was delivered, and (2) that it is mutually agreed such commodity is of the quantity, grade and quality delivered in the schedule below and on continuation sheets thereto. The undersigned warehouse operator further certifies (1) that they have received in their warehouse from the undersigned producer the quantity, grade(s) and quality of the commodity described in the schedule below and on continuation sheets thereto and, in the case of deliveries for local storage, that they will issue acceptable warehouse receipt(s) and; when requested, scale tickets for each commodity and (2) that the quantity of the commodity listed below was, in fact, delivered to the receiving warehouse, and does not include any quantities purchased from or already in store at the receiving warehouse and substituted without prior approval. 1/ The undersigned producer further certifies that (1) the commodity delivered by them is the commodity described in the schedule below and is free and clear of all liens and encumbrances, including landlord's liens except in favor of lienholders from whom waivers have been secured and that the commodity delivered is eligible for delivery by him/her under the applicable program regulations, (2) for all commodities, the quantity delivered does not exceed the quantity that was produced on the farm(s) listed on the original commodity loan agreement entered into with CCC. 1/ The warehouse operator further certifies that all services invoiced including handling, weighing, grading, storage, or servicing were actually performed. The parties signing this certification understand that the making of any fraudulent representations shall render the parties subject to criminal prosecution under Federal law and may render the entire quantity ineligible for any loan benefits (see Part F on reverse of this document).									
1/ If there is a disagreement as to grade or quality, the certification shall nonetheless be signed but the items as to which there is a disagreement in Part B shall be lined through. A representative sample of the lot as to which there is disagreement shall be submitted for an appeal determination in accordance with Part E (on reverse hereof). Such determinations shall be binding on all signatories to this part.									
A Warehouse Receipt Number 2/	B Grade, Class & Sub-Class	C Test Weight (lb.)	D Moisture %	E F.M. (%) 3/	F Other Applicable Factors	G Gross Weight (lb.)	H Dock (%)	I Net Weight (bu., cwt., lb.)	J Storage Start Date
2/ If undesirable wheat variety, place an "*" following applicable lot identity. 3/ For corn, includes also B.C.									
20. Date Delivery Completed		21. Type of Delivery: Whse. Stge. ☐ Hand. Only ☐ Sale ☐ Bins ☐ Track Load ☐				22. Loading Order Number			
23. Signature of Producer		Date				24. Signature of Warehouse Representative			
						Date			
PART C - SETTLEMENT DATA									
Itemize Charges (storage, etc.)					Itemize Credits (hauling, trackload, etc.)				
25. Reserve Storage Refund					27. Excess Haul Total Miles				
\$					28. Excess Hauling Bu. Cents				
26. CCC Incurred Costs Bu. Cents					\$ = @				
\$ = @					29. Reserve Storage Payment \$ 30. Rate Basis (ST. & CO. Code or terminal pt.)				
LOCAL SALES					31. Authorization Number (if any)				
32. Quantity Sold (bu., cwt., lb.)					33. Rate \$				
34. Amount \$					35. CCC-257 Number				
PART D - CERTIFICATION AND APPROVAL FOR COUNTY FSA COMMITTEE									
36. Delivery of commodity in Part B has been completed subject to final settlement. Date									

801 Issuing CCC-691's (Continued)

B CCC-691 (Continued)

PART E - PROCEDURE WHEN THERE IS A DISAGREEMENT AS TO GRADE AND QUALITY**(a) Grade Determination by Federally Licensed Inspector.**

For all commodities, in case of disagreement on grade and quality determined by a Federally licensed inspector on lot(s) delivered, the determination may be appealed through the regular Federal Grain Inspection Service procedures. The producer will be responsible for all appeal expenses. The grade and quality determination resulting from the appeal shall serve as the basis for settlement.

- (b) Grade Determination by Other Than Federally Licensed Inspector.** In case of disagreement on grade or quality determined by other than a Federally licensed inspector on lot(s) delivered, the producer may appeal and shall assume the cost of tests. If delivery was to a warehouse, the representative sample of the lot in disagreement shall be sent to the county office with a remittance to cover the cost of test(s). The county office will forward the sample to a Federally licensed grain inspector for a determination which shall serve as the basis for settlement. If delivery was to other than an approved warehouse, the county office will send a portion of the representative sample of the lot(s) in disagreement to a Federally licensed inspector for a determination which shall serve as the basis for settlement.

PART F - FRAUDULENT REPRESENTATION

The making of any fraudulent representation by the producer in this instrument shall subject the producer (a) to liability under criminal and civil fraud statutes, and (b) to liability to CCC in the amount specified in the Farm Storage Note and Security Agreement. For the purpose of establishing the amount of such liability, the value of the commodity delivered to, or removed by CCC, shall be the market value, as determined by CCC, on the date of delivery or removal, or the sale price if the commodity is sold by CCC in order to determine its market value.

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. This information is issued to you according to the provisions of the CCC commodity loan program at 7 CFR Parts 1421, 1427, and 1435. The information is required in order to settle your outstanding loan. Failure to sign this document may delay settlement of your loan. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.

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To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail, U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

801 Issuing CCC-691's (Continued)

C Completing CCC-691's Through Part A

County Offices must complete:

- separate CCC-691's for each loan and for different delivery points for the entire quantity
- producer and loan identification items and Part A according to this table and example.

Item	Instructions
1	Enter the farm number producing the commodity.
2	Enter the contact producers name and mailing address.
3	Enter the crop year of the commodity.
4	Enter the commodity.
5	Enter the State and county code issuing the loan.
6	Enter the loan number.
7 and 8	Leave blank.
9	Enter outstanding loan quantity to be delivered.
10	Enter outstanding loan amount or principal applicable to the loan quantity.
11	Enter disbursement date of the loan.
12	Check (✓) box, as applicable, for the commodity.
13	Enter maximum quantity for delivery according to paragraph 813.
14	Enter name, warehouse code number, and location of storing warehouse.
15	If location is same as item 14, ENTER " Same ".
16	Initially allow 15 calendar days for delivery of loan collateral. Under extenuating circumstances, an additional 15 calendar days may be granted. All extensions must be documented in the loan folder.
17	Obtain appropriate signature for CCC approval and date.
18	Enter name and address of County Office.

801 Issuing CCC-691's (Continued)

C Completing CCC-691's Through Part A (Continued)

The following is an example of a completed CCC-691.

CCC-691 (11-22-19)						U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation COMMODITY DELIVERY NOTICE	
1. Farm Number 253	2. Name and Mailing Address V. Paige Route 3 Anywhere NE 68501-0002	3. Crop Year 2002	4. Commodity Corn	5. ST. & CO. Code 56-105	6. Loan No. 1193		
		7. Weed Control Discount is Applicable ☐	8. Voluntary Early Delivery Subject to Storage Deduction ☐				
		9. Outstanding Loan Quantity 15,000 Bu	10. Balance To Be Settled \$ 18,600	11. Disbursement Date 08-20-2002			
PART A - DELIVERY INSTRUCTIONS							
If you have an outstanding CCC commodity loan, you must deliver to the storage point specified below, by the date specified below, a quantity of the eligible commodity specified above having a loan value equivalent to the amount specified above as "Balance to be Settled".							
12. Maximum Quantity for Delivery: ☐ Pounds ☒ Bushels ☐ CWT ☐ Bales ☐ Other (specify):						13. Quantity 11,000 Bu	
14. Deliver to (Name, code number, and location of warehouse or other approved storage) XYZ Warehouse 80129 Motown NE 68501-0500						15. Weighing Location Same	
16. Final Date To Deliver 06-18-2003							
17. Commodity Credit Corporation By: /s/ Polly Program Technician		Date 06-03-2003		18. Name and Address of County FSA Office ABC County FSA Office Box C. Wayside NE 68501-0123			

D Distributing Initial CCC-691's

County Offices will initially distribute CCC-691 as follows.

- send to the producer the:
 - original CCC-691, Page 1 shown in subparagraph C
 - demand letter according to Exhibit 18, subparagraph F
- keep a pending copy in applicable loan folder
- send a copy to the warehouse for warehouse storage.

Note: Warehouses must return the original CCC-691 with Part B completed to the County Office with applicable warehouse receipts. Warehouses must retain a copy of the CCC-691 for their files.

802 Issuing CCC-681-1's After CCC-691's Issued**A Issuing CCC-681-1's**

After CCC-691 has been issued, County Offices will:

- issue CCC-681-1, according to paragraph 741

Notes: CCC-681-1's requested **after** loan maturity can only be issued for a 15-calendar-day delivery period.

CCC-681-1's requested **before** loan maturity can be issued for either a 15- or 30-calendar-day delivery period.

- accept repayment for principal and charges plus interest.

See table in Exhibit 31 for an example of actions and applicable dates for a mature MAL where CCC-691 was issued the day after maturity and CCC-681-1 was issued shortly before maturity.

B Remaining Loan Quantity

County Offices will make a pen and ink change to CCC-691 for any loan quantity remaining after expiration of the CCC-681-1 grace period. A revised copy will be sent to the warehouse and the producer.

803 Nondelivery of Loan Collateral**A Nondelivery by Expiration Date**

If the loan collateral is **not** delivered by CCC-691 the expiration date, County Offices **must**, on the day after the CCC-691 expiration on loans without an outstanding CCC-681-1:

- spot check the loan collateral
- initiate foreclosure proceedings according to paragraph 866.

Handle loan deficiencies resulting from foreclosure proceedings according to paragraph 822.

B Extension of Expiration Date

The expiration date of CCC-691 may be extended, in 15-calendar-day increments, **only** in extenuating circumstances that are beyond the producer's control. The reasons for each extension **must** be documented in the loan folder.

If additional time is requested, the County Office must first spot check the commodity still in storage to ensure that there is enough collateral in storage and already delivered to the warehouse to cover the loan.

804 Deliveries to Approved Warehouses

A Delivery for Storage

For deliveries to an approved warehouse for storage, County Offices will schedule deliveries as rapidly as the warehouse can receive the commodity.

805-811 (Reserved)

Section 2 Completing Deliveries of Nonrecourse Loans**812 Producer, Warehouse Operator, and County Office Responsibilities****A Agreeing to Quality and Quantity Delivered**

Producers must be informed of the producer's and warehouse operator's mutual obligation to agree on grade and quantity of the commodity, shown on CCC-691, Part B that is delivered for settlement purposes.

If the delivery is to an approved warehouse for storage, the producer and warehouse operator must agree on the grade and quantity determined on delivery to the storing warehouse. The producer's signature on CCC-691, Part B, item 23 indicates agreement that the grading factors are correct.

Note: If producer's signature **cannot** be obtained within 10 calendar days, ENTER "**unable to obtain**" in applicable signature space and proceed with settlement.

B Grade Appeal Rights

Each producer will receive a fair and representative grade for the commodity delivered. Inform producers:

- of their rights and responsibilities **before** deliveries are started
- that they must request appeal samples to be drawn at the time of delivery
- that they are responsible for **all** appeal expenses.

812 Producer, Warehouse Operator, and County Office Responsibilities (Continued)

C Appealing Grade Determinations

Appeal grade determinations according to this table.

IF the grade and quality was determined by...	THEN the...	
a Federally licensed inspector on quantities delivered	- determination may be appealed through the regular GIPSA procedures - producer is responsible for all appeal expenses - grade and quality determination resulting from the appeal will serve as the basis for settlement.	
other than a Federally licensed inspector on quantities delivered	producer may appeal and must assume the cost of tests.	
	IF delivery was to...	THEN the...
	an approved warehouse	- representative sample of lots in disagreement must be sent to the County Office with producer's remittance to cover cost of tests - County Office will forward the sample to a Federally licensed grain inspector for a determination that will serve as the basis for settlement.
	other than an authorized warehouse	County Office will send a portion of the representative sample of lots in disagreement to a Federally licensed inspector for a determination that shall serve as the basis for settlement.

812 Producer, Warehouse Operator, and County Office Responsibilities (Continued)

D Certifying to Authenticity of Quantity

Producers and warehouse operators must be reminded that by signing CCC-691 they are certifying that the grade and quantity reported on CCC-691:

- was delivered to the receiving warehouse
- does not include any quantity of the commodity that was purchased or already in store at the receiving warehouse
- does not exceed the maximum quantity eligible for delivery according to paragraph 813.

813 Maximum Quantity Eligible for Delivery

A Maximum Quantity

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

Note: The delivered quantity cannot exceed the maximum eligible quantity established according to paragraph 230.

B Ineligible Quantity

Quantity delivered to CCC must **not** be any quantity:

- pledged as collateral for recourse loan
- applicable to unauthorized disposition
- made as LDP
- that was purchased.

C Amounts Exceeding Maximum

Follow paragraph 819 for handling delivered amounts exceeding the maximum eligible quantity.

814 Questionable Deliveries**A Questioning Eligibility**

If the County Office has reason to question the eligibility of a commodity delivered to CCC, review the case immediately.

The extent of the review should be directly related to the seriousness of the matter.

B Action When Wrongdoing Discovered

If wrongdoing is discovered, the:

- County Office must report the case and circumstances to the State Office immediately
- State Office will:
 - determine the steps to be taken after consulting with the County Office
 - refer the case to OIG if further investigation is necessary according to 9-AO
 - refer the case to the regional attorney when advice is needed.

C Determining Delivery Is Proper

If delivery is determined to be proper, process settlement according to this part and instructions in paragraphs 816, 817, and 821.

815 Insect-Damaged Wheat**A Settling Insect-Damaged Wheat**

According to grain standards, wheat with 32 or more insect-damaged kernels per 100 grams is sample grade.

To determine the settlement value for sample grade wheat, because of insect-damaged kernels, that is received for delivery on a loan, contact PSD as follows:

- County Offices will contact PSD through the State Office **only**
- State Offices will contact PSD.

B Action When Reported by Warehouse Operator

When delivered insect-damaged wheat is reported by the receiving warehouse operator, County Offices must advise the:

- local FDA office in writing of the following:
 - producer's name and address
 - name and address of the warehouse where the wheat was delivered
 - delivery date
 - crop year and loan number
 - quantity delivered
 - number of insect-damaged kernels per 100 grams as reported by the warehouse operator
 - name and address of the reporting County Office
- warehouse operator that CCC will **not** take insect-damaged wheat into inventory.

815 Insect-Damaged Wheat (Continued)

C Maintaining Written Correspondence

County Offices must:

- place a copy of the letter to FDA in the producer's loan folder
- maintain separate copies of the letters in an administrative folder for future reference.

816 Completing CCC-691, Part B

A Completing Part B

Complete CCC-691, Part B according to the type of delivery. Determine proper completion according to the following.

Item	Type of Delivery	Instructions
19	Approved warehouse storage with warehouse receipts issued.	Warehouse operator enters the following, as applicable, in: • A – warehouse receipt number(s) • B through F – grade and grading factors • G – gross weight of each receipt • H – dockage percent • J – storage start date for warehouse storage.
	Local sales according to paragraphs 856 through 862 .	County Office enters the following in: • A – lot identification • B through F – grade and grading factors • G – gross weight • H – dockage percent • J – leave blank.
20	Both warehouse storage and local sale.	Enter date delivery completed or date of delivery for local sale.
21	Both warehouse storage and local sale.	For: • warehouse storage, Check (✓) “Whse stge” • local sale, Check (✓) “Sale”.
22	Leave blank	Leave blank.
23 and 24	Both warehouse storage and local sale.	Producer and warehouse operator, or if a local sale, a County Office representative, must sign and date agreeing to weights and grades delivered. Note: If producer’s signature cannot be obtained within 10 calendar days, ENTER “unable to obtain” in applicable space and proceed with settlement.

816 Completing CCC-691, Part B (Continued)

B Example for Warehouse Storage

The following is an example of Part B completed for **warehouse storage**.

PART B - GRADE AND QUANTITY DETERMINATION (If additional space needed, use Form CCC-691-1)									
19 The undersigned hereby certify (1) that a representative sample was secured from each lot of the commodity described above at the time it was delivered, and (2) that it is mutually agreed such commodity is of the quantity, grade and quality delivered in the schedule below and on continuation sheets thereto. The undersigned warehouse operator further certifies (1) that they have received in their warehouse from the undersigned producer the quantity, grade(s) and quality of the commodity described in the schedule below and on continuation sheets thereto and, in the case of deliveries for local storage, that they will issue acceptable warehouse receipt(s) and, when requested, scale tickets for each commodity and (2) that the quantity of the commodity listed below was, in fact, delivered to the receiving warehouse, and does not include any quantities purchased from or already in store at the receiving warehouse and substituted without prior approval. <u>1/</u> The undersigned producer further certifies that (1) the commodity delivered by them is the commodity described in the schedule below and is free and clear of all liens and encumbrances, including landlord's liens except in favor of lienholders from whom waivers have been secured and that the commodity delivered is eligible for delivery by him/her under the applicable program regulations, (2) for all commodities, the quantity delivered does not exceed the quantity that was produced on the farm(s) listed on the original commodity loan agreement entered into with CCC. <u>1/</u> The warehouse operator further certifies that all services invoiced including handling, weighing, grading, storage, or servicing were actually performed. The parties signing this certification understand that the making of any fraudulent representations shall render the parties subject to criminal prosecution under Federal law and may render the entire quantity ineligible for any loan benefits (see Part F on reverse of this document) <u>1/</u> If there is a disagreement as to grade or quality, the certification shall nonetheless be signed but the items as to which there is a disagreement in Part B shall be lined through. A representative sample of the lot as to which there is disagreement shall be submitted for an appeal determination in accordance with Part E (on reverse hereof). Such determinations shall be binding on all signatories to this part.									
A	B	C	D	E	F	G	H	I	J
Warehouse Receipt Number <u>2/</u>	Grade, Class & Sub-Class	Test Weight (lb)	Moisture %	F.M (%) <u>3/</u>	Other Applicable Factors	Gross Weight (lb)	Dock (%)	Net Weight (bu, cwt, lb)	Storage Start Date
201	No. 1 HRW	60.0	13.0		PROTEIN 10.6	111,240		1,854	06-20-XXXX
<u>2/</u> If undesirable wheat variety, place an "*" following applicable lot identity. <u>3/</u> For corn, includes also B.C.									
20. Date Delivery Completed		21. Type of Delivery:					22. Loading Order Number		
06-20-XXXX		Whse. Stge. ☒ Hand. Only ☐ Sale ☐ Bins ☐ Track Load ☐							
23. Signature of Producer				Date		24. Signature of Warehouse Representative		Date	
• /s/ V. Paige				06-20-XXXX		• /s/ John Smith		06-20-XXXX	

C Example for Trackload

The following is an example of Part B completed for **trackload**.

PART B - GRADE AND QUANTITY DETERMINATION (If additional space needed, use Form CCC-691-1)									
19 The undersigned hereby certify (1) that a representative sample was secured from each lot of the commodity described above at the time it was delivered, and (2) that it is mutually agreed such commodity is of the quantity, grade and quality delivered in the schedule below and on continuation sheets thereto. The undersigned warehouse operator further certifies (1) that they have received in their warehouse from the undersigned producer the quantity, grade(s) and quality of the commodity described in the schedule below and on continuation sheets thereto and, in the case of deliveries for local storage, that they will issue acceptable warehouse receipt(s) and, when requested, scale tickets for each commodity and (2) that the quantity of the commodity listed below was, in fact, delivered to the receiving warehouse, and does not include any quantities purchased from or already in store at the receiving warehouse and substituted without prior approval. <u>1/</u> The undersigned producer further certifies that (1) the commodity delivered by them is the commodity described in the schedule below and is free and clear of all liens and encumbrances, including landlord's liens except in favor of lienholders from whom waivers have been secured and that the commodity delivered is eligible for delivery by him/her under the applicable program regulations, (2) for all commodities, the quantity delivered does not exceed the quantity that was produced on the farm(s) listed on the original commodity loan agreement entered into with CCC. <u>1/</u> The warehouse operator further certifies that all services invoiced including handling, weighing, grading, storage, or servicing were actually performed. The parties signing this certification understand that the making of any fraudulent representations shall render the parties subject to criminal prosecution under Federal law and may render the entire quantity ineligible for any loan benefits (see Part F on reverse of this document) <u>1/</u> If there is a disagreement as to grade or quality, the certification shall nonetheless be signed but the items as to which there is a disagreement in Part B shall be lined through. A representative sample of the lot as to which there is disagreement shall be submitted for an appeal determination in accordance with Part E (on reverse hereof). Such determinations shall be binding on all signatories to this part.									
A	B	C	D	E	F	G	H	I	J
Warehouse Receipt Number <u>2/</u>	Grade, Class & Sub-Class	Test Weight (lb)	Moisture %	F.M (%) <u>3/</u>	Other Applicable Factors	Gross Weight (lb)	Dock (%)	Net Weight (bu, cwt, lb)	Storage Start Date
3	No. 1 HRW	60.0	13.0		PROTEIN 10.6	11,240		1,854	
<u>2/</u> If undesirable wheat variety, place an "*" following applicable lot identity. <u>3/</u> For corn, includes also B.C.									
20. Date Delivery Completed		21. Type of Delivery:					22. Loading Order Number		
06-20-XXXX		Whse. Stge. ☐ Hand. Only ☐ Sale ☐ Bins ☐ Track Load ☒					27-155-1801		
23. Signature of Producer				Date		24. Signature of Warehouse Representative		Date	
• /s/ V. Paige				06-20-XXXX		• /s/ John Doe		06-20-XXXX	

817 Completing CCC-691, Part C

A Completing Part C

The County Office will itemize all charges or credits, as applicable, on CCC-691, Part C, according to this paragraph. See example in subparagraph G.

If more than one CCC-691 is issued for a loan, itemize charges and credits only on CCC-691 that shows the outstanding quantity and balance to be settled.

B Charges

Enter all charges incurred by CCC during delivery, such as shelling, hauling, weighing, and grading in item 26.

Attach copies of bills to producer and County Office copies of CCC-691.

When the loan maturity date of a nonrecourse loan is accelerated, warehouse storage charges will be deducted for early delivery. Make a deduction as a separate item instead of reducing the settlement rate, as follows:

- in CCC-691, item 8, CHECK (✓) “**Voluntary Early Delivery Subject to Storage Deduction**” box
- write the following information under the entries provided by the warehouse on CCC-691, Part B:

“Storage adj. _____ bu. times _____ cents = \$_____.”

County Offices must manually compute storage charges through the original loan maturity date using the grain warehouse rate for the specific warehouse. AMS-approved warehouse information is located on the WCMD dashboard at [Workbook: WCMD Dashboard](#).--*

Exception: County Office must **not** make a storage deduction when deliveries of farm stored commodities are accelerated by CCC under general acceleration of the loan maturity date for a particular geographic area.

817 Completing CCC-691, Part C (Continued)

C Credit for Storage Beyond 60 Calendar Days

CCC must credit the producer for storage when CCC required the producer to retain the commodity beyond 60 calendar days after maturity according to subparagraph 800 F.

The period for earning storage starts on the 61st calendar day after maturity and ends the **earlier** of the final date:

- of delivery
- for delivery as shown on CCC-691.

County Offices must manually calculate the storage credit using the storage rates applicable to the:

- storing warehouse for deliveries for warehouse storage
- closest approved warehouse for local sales.

If there is a question about which storage rate to use, refer the matter to the State Office or AMS for rate determination.

Storage credit is limited to the **lower** of the following:

- quantity delivered
- 110 percent of the outstanding loan quantity.

817 Completing CCC-691, Part C (Continued)

D Excess Haul Credit

If a producer is directed to deliver a commodity to a location beyond the producer's customary delivery point, credit may be earned for excess haul.

See Exhibit 2 for a definition of customary delivery point.

If the producer:

- hauls the commodity, use the STC-established rate
- hires someone to haul the commodity, use the **lesser of the following**:
 - STC-established rate
 - actual cost of hauling the commodity.

The mileage for which credit is earned will:

- be the additional distance to the delivery point from the customary delivery point
- **not** exceed the distance by direct route from the delivery point, minus the distance from the farm to the producer's customary delivery point for that commodity.

Note: Depending on the commodity, there may be different customary delivery points. The local warehouse may not be approved to store the commodity being delivered to CCC.

Record the following as separate items on CCC-691, Part C:

- item 27 total miles on which the excess haul credit was based
- item 28 excess hauling credit computes as follows:
 - total excess haul miles
 - number of bu. or cwt.
 - rate that was used for calculating the excess haul credit (cents per bu. or cwt.).

Example: Closest warehouse approved to accept the commodity is 10 miles. Producer was directed to haul the commodity to a warehouse 25 miles away.

Excess haul is computed as follows:

- 25 miles – 10 miles = 15 miles excess haul
- 15 miles x 10,000 bu. wheat x \$.01/bu. = 1,500 excess haul credited to the producer on settlement.

817 Completing CCC-691, Part C (Continued)

E STC-Established Rate for Excess Hauling

STC must establish an excess haul rate, taking into account the following:

- rates of local truckers
- that rates must not include loading, unloading, or return costs.

F Rate Basis

Enter State and county codes of normal delivery point in item 30.

817 Completing CCC-691, Part C (Continued)

G Completing Part G

County Offices will complete CCC-691, Part C according to the following.

Item	Type of Delivery	Instructions
25	Both warehouse storage and local sale.	Not applicable - leave blank.
26	Warehouse storage on loan foreclosure.	Enter any charges applicable to a foreclosure according to subparagraph 817 B. Examples: • trucking • shelling.
	Local Sale	Enter any charges applicable to a local sale according to subparagraph B. Examples: • weighing • sampling • grading.
27	Warehouse Storage	Enter the number of miles of excess haul according to subparagraph E.
28	Warehouse Storage	Enter the computation of the excess haul credit according to subparagraph E.
29	Both warehouse storage and local sale.	Not applicable - leave blank.
30	Warehouse Storage.	Enter State and county codes of normal delivery point.
	Local Sale	Enter State and county code of original storage location and loan rate.
31	Local Sale	Enter authorization number according to paragraph 847.
32	Local Sale	Enter quantity sold according to weighed quantity.
33	Local Sale	Enter the accepted bid per bu., cwt., or pound.
34	Local Sale	Enter amount received for the sale of commodity – item 32 x 33.
35	Local Sale	Enter CCC-257 number on which sales proceeds were deposited,
36	Both warehouse storage and local sale.	CED or other authorized FSA employee must sign and date.

817 Completing CCC-691, Part C (Continued)

H Example of Part C

The following is an example of Part C.

PART C - SETTLEMENT DATA					
Itemize Charges (storage, etc.)			Itemize Credits (hauling, trackload, etc.)		
25. Reserve Storage Refund			27. Excess Haul Total Miles		
\$ []			[]		
26. CCC Incurred Costs		Bu.	Cents	28. Excess Hauling Bu. Cents	
\$ [] = [] @ []				\$ [] = [] @ []	
29. Reserve Storage Payment			30. Rate Basis (ST & CO. Code or terminal pt.)		
\$ []			[]		
LOCAL SALES	31. Authorization Number (if any)	32. Quantity Sold (bu., cwt., lb.)	33. Rate	34. Amount	35. CCC-257 Number
	[]	[]	\$ []	\$ []	[]
PART D - CERTIFICATION AND APPROVAL FOR COUNTY FSA COMMITTEE					
36. Delivery of commodity in Part B has been completed subject to final settlement.					Date []

Note: CCC-691, item 36 provides for CCC approval and date.

I Distributing Final CCC-691

County Offices will distribute final approved CCC-691 as follows:

- keep a copy in producer's loan folder in county
- attach copy to applicable settlement documents and send to AMS according to paragraph 825
- provide a copy to:
 - the producer
 - the warehouse.

818 Reviewing Delivery Documents

A Reviewing Documents Before Processing Settlement

Before processing and approving the delivery and settlement documents, County Offices must review the applicable documents, associated with the delivery of the commodity, for accuracy and eligibility. This includes making sure the warehouse receipts are completed correctly and the grading factors substantiate the grade assigned.

If discrepancies are noted, have the discrepancies corrected:

- by the applicable party responsible for the entries on the applicable document
- **before** completing the settlement.

Notes: County Offices must:

- **not** make changes to the warehouse receipt or CCC-691, Part B; these **must** be completed by the warehouseman
- request that the warehouse operator come into the County Office to correct the receipt and initial each correction.

Corrections to paper receipts are allowed on any area of the receipt that was not preprinted. When corrections are made, the warehouse operator **must** initial the change.

B Verifying Quantity Data

Before approving the quantity for settlement, County Offices must ensure the quantity delivered:

- is eligible for loan according to paragraph 225
- does **not** exceed the maximum quantity eligible for delivery according to paragraph 813
- shown in CCC-691, Part B agrees with quantities shown on warehouse receipt, and if applicable, KC-350 (Grain) or KC-350 (Oilseed) for commodities delivered to warehouse storage.

818 Reviewing Delivery Documents (Continued)**C Verifying Quality Data**

County Offices must:

- review the following, as applicable, for accuracy of quality data:
 - warehouse receipts
 - applicable KC-350's
 - inspection certificates
- ensure that the quality factors support the grade for the commodity according to the applicable 2-LP
- verify that entries shown on CCC-691, Part B agree with quality data shown on warehouse receipt, and if applicable, KC-350 (Grain) or KC-350 (Oilseed) for commodities delivered to warehouse for storage
- verify the CCC-warehouse code and ensure that the warehouse is an **approved** warehouse
- obtain, if necessary, proper endorsements on the warehouse receipts
- enter the following in the upper right-hand corner of receipt:
 - State and county codes
 - loan number
 - storage start date according to CCC-691, item 19J.

D Questionable Deliveries

If a delivery appears to be questionable, see paragraphs 303 and 814 for proper action.

819 Delivered Quantities Exceeding Maximum Eligible Quantity**A Handling Excess Quantities**

CCC has **no** obligation to settle with producers on delivered quantities exceeding the maximum eligible quantity for delivery.

If the total quantity delivered exceeds the maximum eligible quantity, notify the producer and the warehouse operator:

- in writing, using the letter in subparagraph B
- of the following:
 - the warehouse receipt and CCC-691 must be corrected to show only the eligible quantity
 - the documents must be corrected and returned to the County Office within 15 calendar days from the date of notification
 - the producer must bear the costs, if any, for correcting the documents and splitting the warehouse receipt.

819 Delivered Quantities Exceeding Maximum Eligible Quantity (Continued)

B Sample Letter to Producer

Use the following letter when it is necessary to split a warehouse receipt according to subparagraph A.

(Date)

Dear _____:

The quantity for (year)-crop (commodity type) loan (number) was recently delivered to (warehouse name). You delivered (quantity). The maximum quantity for delivery shown on CCC-691, Commodity Delivery Notice, was (quantity). Accordingly, you must return the receipt to the warehouse. The receipt(s) must be split and CCC-691 corrected to show only the maximum quantity eligible for delivery to CCC.

The warehouse operator must issue a replacement warehouse receipt and corrected CCC-691 to CCC, which represents only the quantity eligible for delivery to CCC. The quantity exceeding the quantity eligible for delivery to CCC will be available to you.

The corrected documents must be returned to the County Office named above on or before the 15th calendar day following the date of this letter.

Note: CCC is not responsible for charges, if any, for correcting the documents and splitting the warehouse receipts.

If you obtain the documents from the County Office and fail to return them by (*enter the 30th calendar day after the date of this letter*), a receivable will be established for the principal and charges, plus interest, due on the loan.

CCC will obtain the corrected documents if you have not obtained the receipts for correction on or before the 30th calendar day after the date of this letter. Any cost incurred by CCC in the splitting of the warehouse receipt and correcting the CCC-691 will be offset from the settlement of your loan.

Your delivery will be processed after the documents are corrected. Copies of the final loan settlement will be forwarded to you.

If you have any questions, please contact this office.

Sincerely,

County Executive Director,
_____ County FSA Office

cc: (*Warehouse operator issuing warehouse receipt.*)

819 Delivered Quantities Exceeding Maximum Eligible Quantity (Continued)

C Additional County Office Action

Follow this table when additional action is necessary to obtain corrected documents.

IF the producer...	THEN the County Office must...
fails to obtain the warehouse receipt and CCC-691 from the County Office for correction	• obtain corrected warehouse receipts • consider the cost for splitting warehouse receipts as a cost incurred by CCC • enter the cost on CCC-691, item 26 • complete the settlement process.
obtains the warehouse receipt and CCC-691 from the County Office, but fails to return the corrected documents	establish a receivable in NRRS. The receivable(s) will be equal to the principal and interest on the loan as of the date of the demand letter sent to the producer with the CCC-691. On the 31st calendar day, if the amounts due are not repaid by the 30th calendar day after the CCC-691 expiration or extended expiration date, the interest start date for the receivable will be the 31st calendar day after the CCC-691 expiration or extended expiration date. Contact PSD for the applicable receivable code(s).
returns the corrected documents after the receivable has been established	withdraw the receivable(s) according to 64-FI and process the settlement in the normal manner.

Note: If the loan collateral is sold by local sale, process settlement in the normal manner as the sales proceeds have no bearing on CCC's settlement with the producer.

820 Determining Loan Settlement Values**A Base Loan Rates**

If the commodity is delivered to CCC from farm storage, settlement will be made by CCC on the basis of the base loan rate:

- applicable to the crop year for the commodity
- for the county where the producer's customary delivery point is located
- adjusted for applicable premiums and discounts.

Note: Each producer signing CCC-677 or CCC-678 is jointly and severally liable for repayment of the amount due.

B Determining Settlement Values

Farm-stored loan settlement is based on the quantity and quality of the commodity delivered to CCC.

Determine farm-stored settlement rates on eligible commodities, as determined in applicable 2-LP, using the:

- specific crop year schedule of loan premiums and discounts for the:
 - crop year of the commodity delivered
 - factors or percent of factors shown on the warehouse receipts or inspection certificates
- additional schedule of discounts in effect on the date delivery was completed by the producer.

C Weight Basis for Premiums and Discounts

See applicable 2-LP for applicable weight basis for the specific commodity.

820 Determining Loan Settlement Values (Continued)

D Using Appropriate Schedule

Follow this table when a discount factor is **not** included in the applicable specific crop year schedule of premiums and discounts for the applicable commodity.

IF a discount factor or percentage of a factor is not included in the applicable...	THEN...
specific crop year schedule of premiums and discounts for the commodity	apply the applicable additional schedule of discounts in: • effect on the date delivery is completed as shown on CCC-691 • 2-LP applicable to the commodity. Note: Schedules for previous years' delivery periods not found in 2-LP may be obtained from the State Office, if needed.
additional schedule of discounts for the commodity	County Offices will contact PSD through the State Office. Note: Do not contact AMS or other outside agency.

820 Determining Loan Settlement Values (Continued)**E Reasons for Additional Discounts**

The schedules of CCC additional discounts are:

- provided for those qualities, factors, or percentages of factors for which no discounts have been established in the specific crop year schedule of loan premiums and discounts
- applicable for commodities delivered to CCC
- applicable to all States
- to be used to determine farm-stored loan settlement rates, if applicable.

F Additional Discount Applicability

Quantities of farm-stored commodities are subject to the additional discounts for loan settlements in the applicable 2-LP when the quantities are **both** of the following:

- ineligible for warehouse-stored loan
- delivered to satisfy farm-stored loan obligations.

The additional discounts:

- are for factors not shown in specific crop year schedule of premiums and discounts
- will be used in addition to any applicable discounts in the specific crop year schedule of premiums and discounts.

Example: If the warehouse receipt or inspection certificate shows that the corn has 3.5 percent broken corn and foreign material and 15.9 percent moisture, use the discount in:

- specific crop year schedule for 3.5 percent broken corn and foreign material
- additional schedule of discounts for 15.9 percent moisture.

820 Determining Loan Settlement Values (Continued)**G Using the Additional Schedule of Discounts**

The additional schedules of discounts are:

- cumulative discounts
- not to be added to any discount if the same factor is listed in the specific crop year schedule of loan premiums and discounts.

Use the discount shown in the specific crop year schedule of loan premiums and discounts to determine the settlement rate **if** a factor or percentage of a factor, applicable to the commodity, is listed in **both** of the following:

- specific crop year schedule of loan premiums and discounts for the crop year of the commodity delivered
- additional schedule discounts.

H Settlement Value of Zero or Less Than Zero

The settlement loan value for all loans delivered to CCC is determined on the quality factors of the quantity delivered. Discounts applied during a settlement may result in the commodity having a value of zero or less than zero. If this happens, use zero for the settlement value of the commodity.

Note: If a nonrecourse loan is disbursed at the regular loan rate, and the producer delivers low quality commodity to CCC in settlement of the loan, when all discounts are applied, it is possible that the entire original loan amount will be owed to CCC.

I Discount for Contaminated Grain

Grain found to contain substances poisonous to human or animals, such as mercurial compounds and toxin-producing molds, will receive a discount equal to the settlement value determined after applying all other premiums and discounts. See the additional discount schedule applicable to the commodity.

Exceptions: For grain delivered to CCC with the warehouse receipt indicating a vomitoxin level of:

- 5 parts per million or less, determine the settlement rate in the normal manner
- more than 5 parts per million, the grain will have a settlement value of **zero**.

821 Completing Settlements

A Processing Settlements

County Offices will:

- organize their work so that settlements are processed promptly when delivery of the commodity is completed
- process settlements in manually according to Part 8 and the table in subparagraph B

Note: Warehouse purchases from AMS for farm-stored deliveries before completing the settlement and transfer of the commodity to CCC are **no** longer authorized.

821 Completing Settlements (Continued)

B Settlement Process

The County Office must complete the settlement process according to the following table.

Step	Action
1	Before beginning the MAL settlement process, counties must review the warehouse receipt to ensure that all of the required general and commodity specific information is on the receipt according to paragraph 545. This also includes checking the grade assigned to make certain the grading factors substantiate the grade assigned. Note: If the grading factors do not substantiate the grade on the receipt or some required factors are missing, the warehouse receipt must be corrected by the warehouse operator before the settlement is processed.
2	If it is determined that the receipt is missing required information or the grading factors on the warehouse receipt do not substantiate the grade, County Offices must: • not make any corrections to the warehouse receipt • advise the warehouse operator of the errors • have the warehouse operator come into the County Office to correct the receipt. Notes: AMS allows paper receipt corrections on any area of the receipt that was not preprinted. When corrections are made, the warehouse operator must initial the changes. KC-350 (Grain) or KC-350 (Oilseed) cannot be used to correct warehouse receipts. All wheat receipts for the following wheat classes must include protein: HRW, HWW, HRS, Durum and SWW.
3	When all of the warehouse receipt information has been checked and verified to be correct, County Offices will calculate the settlement rate for the delivered quantity using the Excel spreadsheet available on the FSA intranet at https://inside.fsa.usda.gov/program-areas/dafp/commodity-and-facility-loans/commodity-loans/mal/index. Select the “Settlement” worksheet on the bottom tabs. A second party review is required of the spreadsheet before completing the settlement process.

821 Completing Settlements (Continued)

B Settlement Process (Continued)

Step	Action
4	County Offices will complete Part C of the CCC-691 entering any other authorized charges and credits according to 8-LP, paragraph 817. In Part C, item 30, the County Office must enter the State and county code of the producer's normal delivery point.
5	County Offices must: - manually complete the CCC-692, Settlement Statement according to the instructions and example in subparagraph 823 Note: A fillable version of the CCC-692 is available to State Offices by contacting MAL.LDP@usda.gov. County Offices must request a copy from their State Office, if needed. - use the settlement rate computed on the Excel Settlement worksheet in step 3 - include other charges and credits from CCC-691 Part C - include interest on any deficiency from date of disbursement until the date CCC obtains the commodity. The date CCC obtains the commodity is entered by the warehouse on CCC-691, Part B, item 20. Note: The applicable interest can be computed using the interest calculator on the FSA Intranet site at https://inside.fsa.usda.gov/program-areas/dafp/commodity-and-facility-loans/commodity-loans/mal/index.
6	After completing the manual settlement, the CCC-691, CCC-692, Excel Settlement worksheet(s), and warehouse receipt(s) must be reviewed by a second individual for accuracy.
7	Before notifying the producer and sending the warehouse receipt(s) to AMS, County Offices must forward copies of the Excel Settlement worksheet, CCC-691, CCC-692, and warehouse receipt(s) to the applicable State Office specialist for additional review.

821 Completing Settlements (Continued)

B Settlement Process (Continued)

Step	Action
8	If the State Office specialist concurs that the settlement is correct, the documents must be scanned, encrypted, and sent by e-mail for further review to MAL.LDP@usda.gov. PSD will notify the State Office via e-mail: • if the settlement has been determined to be correct • when it is no longer necessary to send settlement documents from the State to PSD for review. Note: State Office specialists will continue to review all manually computed settlements.
9	When notified by the State Office that the settlement is correct, the County Office will do one of the following: • if the producer owes CCC, create a manual receivable in NRRS using the program code XXCOMMNRDFLTN for loan principal only Note: Use the NRRS dropdowns to enter other fees. NRRS will send the producer the required letters. • if CCC owes the producer, process the payment to the producer and any lien holders included on the initial loan disbursement through NPS as an online payment using the program code XXCOMMALSETPY • if the delivery value equals the outstanding loan principal, neither of the actions above is applicable. Notes: XX is the 2-digit crop year, and COMM is the commodity abbreviation. For both NRRS receivable and NPS payable, reference the original loan number.
10	County Office must complete a manual Settlement Transmittal Control document. See paragraph 825 for an example of the Settlement Transmittal Control documents and instructions for completion. A fillable Settlement Transmittal Control document is available on the FSA Intranet.

821 Completing Settlements (Continued)**C Handling National Soybean Assessment**

When processing farm-stored **soybean** loan settlements, the national soybean assessment equal to 0.5 percent of the settlement value will be charged.

D Assessments for all Other Commodities

Approved and authorized commodity assessments for all commodities other than soybeans were assessed at loan disbursement. CCC will not collect an assessment on any quantity delivered to CCC above the loan quantity.

E Distributing CCC-692's

County Offices shall distribute CCC-692's as follows:

- place the original in the producer's loan folder
- attach a copy to AMS copy of CCC-691
- provide a copy to the producer.

821 Completing Settlements (Continued)**F Submitting Documents to AMS**

County Offices must submit, according to paragraph 825, the following documents to AMS:

- copy of CCC-691
- copy of CCC-692
- original warehouse receipt(s), keeping a copy of both paper and EWR receipt in the loan folder

Note: Enter on the upper right corner of the warehouse receipt(s) the following:

- State and county code
 - loan number
 - CCC storage start date entered by warehouse on CCC-692, item 20.
- Settlement Transmittal Control document completed and signed by CED

Notes: The warehouse receipt numbers listed on the Transmittal Control-Settled Warehouse Receipt Report, must match the receipts being mailed or EWR's transmitted to AMS.

If the warehouse receipts are EWR's, the County Office must transfer the receipts to "CCC Owned – Kansas City, KC" in the eGrain system.

- copy of Excel Settlement worksheet
- mail the original documents to the following address using USPS:

USDA, AMS,
STOP 8748
P. O. Box 419205
Kansas City, MO 64141-6205.

Note: This is a USPS post office box. UPS and FedEx must **not** be used.

821 Completing Settlements (Continued)**G Sending Settlement Documents to the Producer**

County Office will send the producer a copy of the following:

- CCC-691
- CCC-692
- settlement worksheet.

H Releasing Note and Security Agreements After Settlement

After the commodity has been delivered, settlement completed, and documents transmitted to AMS, County Offices must mark the original CCC-677 “**Delivered**” and return to the producer unless **either** of the following applies:

- loan deficiency exists and has not been satisfied
- loan amount has been transferred to receivables and has not been paid.

Do not release CCC-677 until all amounts owed on the loan settlement have been paid.

822 Completing CCC-692

A CCC-692 Instructions

The following table provides instructions for manually completing CCC-692 for delivery to CCC.

Item	Manual Instruction
1	Enter name and mailing address of the contact producer.
2	Enter crop year of delivered commodity.
3	Enter commodity, including class, if applicable.
4	Enter CLPS loan number.
5	Enter State and county codes.
6	Enter loan quantity liquidated.
7	Leave blank.
8	Enter principal for loan quantity liquidated.
9A	Enter preprinted warehouse receipt number.
9B	Enter delivered quantity from the warehouse receipt in item 9.
9C	Enter the State and county code of the location where the commodity was delivered.
9D	Enter settlement rate for each warehouse receipt as determined on the Excel Settlement worksheet.
9E	Enter the value of the quantity on the warehouse receipt (item 10 times item 12).
10A	Enter the loan principal liquidated. This should be the full loan principal of the entire MAL that was delivered to CCC.
10B	Leave blank.
10C	Enter interest on the deficiency determined using the Interest Calculator on the DAFP Intranet site. Interest is owed on any shortage in the value of the commodity delivered to CCC, compared to the outstanding loan principal. Example: Principal outstanding on MAL at time of delivery to CCC = \$10,000 Value of delivered commodity due to quality discount = <u>\$9,500</u> Difference = <u>\$ 500</u> Interest is owed CCC on \$500 from the date of disbursement to the date on CCC-691, Part B, item 20.

822 Completing CCC-692 (Continued)**A CCC-692 Instructions (Continued)**

Item	Manual Instruction
10D	Leave blank.
10E	Leave blank.
10F	Leave blank.
10G	Leave blank.
10H	Enter the total of items 10A through 10G.
10I	If the amount in item 10H is greater than the amount in item 11D, there is an amount due CCC. Enter the difference in item 10I. All producers on the loan are jointly and severely responsible for any amounts due CCC.
11A	Enter the total of item 9E column.
11B	Enter any storage credit due producer computed according to subparagraph 817C.
11C	Enter excess haul if applicable according to subparagraph 817K.
11D	Enter total of items 11A through 11C.

822 Completing CCC-692 (Continued)

B Example of CCC-692

The following is an example of a completed CCC-692 for farm-stored settlements manually completed.

FSA State Office employees can obtain a fillable version of CCC-692 by contacting PSD at MAL.LDP@usda.gov. County Offices must request a copy from their State Office, if needed.

This form is electronically available.

CCC-692 (09-05-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
SETTLEMENT STATEMENT			
<i>Completed form contains information that protected from unauthorized use/unauthorized disclosure by Federal statutes to include the Privacy Act (5 U.S.C. 552a - as amended) and the Freedom of Information Act (5 U.S.C. § 552 - as amended). USDA disclosure of the completed form is restricted to only the individual(s) to whom the information on the form pertains and to authorized personnel who have (1) the appropriate access clearances/permissions and (2) a demonstrated business need to know the information in order to perform their assigned official duties.</i>			
This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).			
1. Name and Address of Contact Producer Joe Producer 123 State Street Town, ST 99999-9999	2. Crop Year 2016	3. Commodity Wheat HRW	4. Loan No. 10005
	5. State and County Code 20 111	6. Quantity Liquidated 10,000 Bu	7. Principal Liquidated \$ 33,349.00
8. COMMODITY DELIVERED FOR ACCOUNT OF CCC:			
A. Warehouse Receipt or Lot No.	B. Quantity Delivered	C. Receiving State and County Code	D. Settlement Rate
3419	9,980 Bu	20 111	\$ 3.33
			\$
			\$
9. CREDITS:		10. CHARGES:	
A. Storage Credit \$	B. Other Credit \$	A. Assessments \$	B. Interest on Deficiency \$
			C. Other Charges \$
11. SETTLEMENT VALUE:			
A. Total Delivered Value (Sum of Column Item 8E) \$	B. Total Credits (Sum of Item 9) \$	C. Total Charges (Sum of Item 10) \$	D. Amount Allowed in Settlement (Item 11A + Item 11B - Item 11C) \$
12. AMOUNT DUE CCC - When the amount in Item 11D is less than the amount in Item 7, there is an amount due CCC. Enter the amount due CCC. \$		13. AMOUNT DUE PRODUCER - When the amount in Item 11D is greater than the amount in Item 7, there is an amount due the producer. Enter the amount due the producer. \$	
When there is an amount due the producer, complete Items 14A through 14C.			
14A. PRODUCER NAME	14B. SHARE	14C. CALCULATED AMOUNT DUE PRODUCER (Item 13 x Item 14B = Item 14C)	
Joe Producer	100%	\$	
		\$	
		\$	
15A. Approved for CCC By	15B. Date (MM-DD-YYYY) 06-19-2017	16A. Name and Address of County FSA Office County FSA Office 1521 Main Street Town, ST 99999-9999	
		16B. Telephone Number (Include Area Code): 999-555-1222	

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

823 Loan Deficiencies**A Notifying Producers**

When there is a deficiency owed to CCC resulting from a loan settlement, County Offices must manually establish receivable in NRRS according to 64-FI using the program code **XXCOMMNRDFLTLN** for the amount owed CCC on the CCC-692, item 10I.

Notes: NRRS will notify the producer requesting repayment of the amount due CCC.

Reference the original loan number on the NRRS receivable.

B Applying Repayments

Record repayments for any amounts due CCC to the receivable in NRRS.

C Excessive Loan Deficiency

If an excessive loan deficiency occurs because of a settlement, COC must:

- review the applicable loan folder and documents for possible program violation
- document results of the review in COC minutes
- if applicable:
 - submit information to OIG, through the State Office
 - take administrative actions according to Part 4.

824 Payments Due Producer

A Payments to Producer

If CCC owes the producer on a loan settlement, process the payment to the producer and any lien holders included on the initial loan disbursement through NPS as an online payment using the program code **XXCPMMMALSETPY**. Reference the original loan number on the NPS payable.

825 Transmittal Control Document**A Transmittal Control Document**

A transmittal control document is required to be submitted to AMS with the loan settlement documents for each farm-stored loan settlement.

A fillable transmittal control document form is available on the FSA Employee Intranet according to the following table.

Step	Action
1	Access the FSA Employee Intranet at https://inside.fsa.usda.gov/ .
2	Under the “Program Areas” drop-down menu, SELECT “ Deputy Administrator Farm Programs ”.
3	On the “Deputy Administrator Farm Programs” home page, scroll down to “Programs”.
4	Under “Programs”, SELECT “MAL and LDP and Graze-Out Information”.
5	Select settlement transmittal document, “Transmittal Control Document – Settled Warehouse Receipts”.

825 Transmittal Control Document (Continued)

B Example of a Transmittal Control – Settled Warehouse Receipts Document

The following is an example of a Transmittal Control – Settled Warehouse Receipts document available to FSA employees on the FSA Intranet.

State: _____		United States Department of Agriculture		Date: _____	
County: _____		Farm Service Agency		Time: _____	
Year: _____		TRANSMITTAL CONTROL Settled Warehouse Receipts		Page: 1 of 9f	
Loan No.: _____ Crop Year: _____ Commodity: _____ Class: _____ Total Number Of Receipts: _____ Total Settled Quantity: _____ Total Settled Value: \$ _____				Mailing Address: Commodity Management Division Merchandising Branch Beacon Facility Stop 8/48 PO Box 419205 Kansas city, MO 64141-6205	
A. RECEIPT NUMBER	B. SETTLED QUANTITY	C. SETTLED VALUE			
Warehouse receipt data has been verified against original receipts					
SIGNATURE (By) _____				DATE (MM-DD-YYYY) _____	

825 Transmittal Control Document (Continued)

C Instructions for Completing the Transmittal Control – Settled Warehouse Receipts

Following are instructions for manually completing the Transmittal Control – Settled Warehouse Receipts document which must accompany the warehouse receipts sent to AMS.

Item	Manual Instructions
State	Enter the State name.
County	Enter the county name.
Year	Enter crop year of the MAL.
Date	Enter date settlement computed on CCC-692.
Time	No entry required.
Page	Enter total number of pages in the transmittal for this settlement. Note: In most cases, this will be 1.
Loan No.	Enter the loan number for the receipts transmitted.
Crop Year	Enter the crop year of the MAL.
Commodity	Enter the commodity name.
Class	Enter the commodity class.
Total Number of Receipts	Enter the number of receipts associated with this settlement. Note: The receipt numbers will be listed under column “A” below.
Total Settled Quantity	Enter the total settled quantity. Note: This will be the total of column “B” below.
Total Settled Value	Enter the total settled value. Note: This will be the total of column “C” below.
Column A - Receipt Number	List each receipt number associated with this settlement.
Column B - Settled Quantity	List the total quantity on each receipt associated with this settlement.
Column C - Settled Value	List the total settled value of each receipt associated with this settlement.
Signature	Signature of the CED or delegated individual.
Date	Date signed by CED or delegated individual.

825 Transmittal Control Document (Continued)

D Completed Example of Transmittal Control – Settled Warehouse Receipts Document

An example of a completed transmittal control document for farm stored settlements will be provided once software has been enhanced in CLPS.

E Reviewing Documents

County Offices must:

- review the transmittal control document for accuracy by comparing the information on the transmittal control document with the applicable settlement documents
- obtain CED's, or designee's, signature on the transmittal control document.

825 Transmittal Control Document (Continued)**F Incorrect Information Is Discovered**

If incorrect information is discovered, County Offices must:

- manually correct the settlement
- document on the transmittal control document, the following:
 - an explanation of the reversal
 - if applicable, the fact that the warehouse receipt was already sent to AMS with a previous transmittal control document

Note: If the settlement being corrected was listed on a previous transmittal control document, attach a copy of the transmittal control document that accompanied the submitted warehouse receipt.

- submit any additional documents, as necessary according to subparagraph H.

G Preparing Documents for Submission

County Offices must:

- sort warehouse receipts, if applicable, in the same order as the transactions are listed on the applicable transmittal control document
- attach warehouse receipts and, if applicable, supplemental certificates to the transmittal control document.

825 Transmittal Control Document (Continued)**H Submitting Documents**

County Offices must submit all documents, using overnight mail service through USPS, when the manual settlement has been completed and reviewed by the State Office specialist and the National Office, for settlements as follows:

USDA, AMS, AMS, PD, MB
STOP 8748
PO BOX 419205
KANSAS CITY MO 64141-6205.

Note: These documents are being sent to a USPS post office box. UPS and FedEx must **not** be used to send them.

I Maintaining Copies

County Offices must maintain a copy of all transmittal control documents in:

- the producer's folder
- in a separate file for Transmittal Control – Settled Warehouse Receipt Report” for settlements and local sales by crop year, as applicable.

826-845 (Reserved)

Section 3 Local Sales

846 Local Sale Eligibility

A Eligible Sales

Commodities eligible for local sale, according to this section, include:

- loan collateral that is required to be disposed of through local sales, including collateral for recourse loans and recourse loan foreclosure

Examples: Commodities exceeding the maximum STC-level for moisture.

Recourse loans for corn and sorghum that exceed the 2-LP standard for moisture.

Commodities under a distress loan.

- isolated farm-stored lots
- commodities ineligible, as applicable
- commodities ineligible because of sanitation requirements or containing poisonous substances
- damaged and salvaged collateral
- sample grade wheat because of insect-damaged kernels according to paragraph 815
- commodities for settlement of nonrecourse loans that are refused for storage by **approved** warehouses located where it is practical to deliver commodities to be placed in CCC inventory

Note: Warehouse operators may refuse to accept and store commodities for **any** reason.

- commodities for settlement of farm-stored nonrecourse loans that producers refuse to deliver, including processing loan foreclosure
- commodities for settlement of farm-stored nonrecourse loans where it is not cost effective to pay excess haul.

Notes: See Exhibits 13 and 19, subparagraph A for table of applicable actions for recourse and distress loans.

For recourse loans open after maturity, do **not** issue CCC-691 for delivery to a CCC approved warehouse.

846 Local Sale Eligibility (Continued)

B Ineligible Sales

The following commodities are **ineligible** for disposal through local sales provisions:

- commodities not specified in subparagraph A
- any commodity that a warehouse operator:
 - accepted for CCC's account
 - placed in storage in the warehouse following delivery under CCC-691.

847 Authorization**A Authorizing Local Sales**

County Offices **must** request authorization for a local sale from the State Office before announcing the sale.

Note: If it is not in the best interest of CCC to wait to request a local sale, justification for the expedited request must be provided with the authorization request.

B State Office Action

The State Office **must**:

- authorize all local sales **before** the County Office announces the sale
- maintain a register of assigned authorization numbers

Note: If the State Office needs an example of register, contact PSD.

- notify the County Office of the authorization number.

Note: County Office must enter the authorization number on:

- CCC-638
- CCC-639
- CCC-691, item 31, for nonrecourse loans **only**.

847 Authorization (Continued)**C Sales to Employees**

FSA employees may purchase commodities offered for local sale **only** when the sale of this commodity is based on competitive bids.

No purchase may be made, either directly or indirectly, by:

- the employee who was formerly accountable for the commodity or who was in any way connected with its condemnation or sale
- State Office employees without prior approval of SED
- County Office employees without prior approval of the State Office representative.

D Sales to Warehouse Operators

A warehouse operator who refuses to accept a commodity being delivered in settlement of a farm-stored loan may submit a bid for the commodity if the commodity is later disposed of through local sales.

848 Announcing Sales**A Sale Announcements**

A formal announcement of sale is not required, but an informal announcement should be provided to as many of the known buyers in the area as possible. Examples of known buyers include but are not limited to feedlot operators, wildlife groups, and feed mills.

For an example of an informal announcement of sale, see subparagraph C.

Any other format must contain at least the information in the applicable examples.

Paid advertisements to publicize sale may be used, if authorized by SED.

Post a copy of the announcement in a prominent place in the County Office and send to surrounding County Offices to post.

B Sale Provisions

The bid price is on an “as is where is” basis. The producer is responsible for the commodity up to the point the buyer takes control of the commodity at the producer’s storage facility. The buyer is responsible for **all** handling, transport, and insurance to remove the commodity from the storage facility (also known as F.O.B. buyer). CCC offers **no** warranty, and the buyer assumes the risk that the grain may be of poor quality.

Alternate or tie-in bids will **not** be accepted. The following bullets explain alternate or tie-in bids.

- Alternate bid means a bid that provides for an amount to be added to or deducted from the stated bid amount.
- Tie-in bid means the bidder makes the acceptance of 1 item’s bid conditional upon the acceptance of another item being bid on in the same sale.

848 Announcing Sales (Continued)**B Sale Provisions (Continued)**

CCC may cancel the sale announcement at any time.

CCC can accept or reject any bid, in whole or in part.

CCC may take into account the financial responsibility of the bidder.

Prospective buyers may make arrangements with the County Office to inspect the commodity before placing a bid. CED must be present during such inspections.

The quantity shown on the bid announcement is an approximate quantity. The exact quantity will be determined by weighing the commodity at the producer's expense.

CCC representative must be present during the delivery and transfer of the grain.

Buyer is responsible for all accrued charges not paid or provided for by the producer or CCC.

Note: The producer is responsible for the cost of grading the commodity by FSIS.

The sales proceeds must be computed on the net weight of the commodity received by the buyer. The sales proceeds must be paid to CCC by money order, certified check, or cashier's check. If approved by CED, an uncertified personal or business check may be accepted.

Delivery must be completed within 15 workdays after the date of the sale. Payment must be made at the time of delivery.

If no bids are received, the local sale will be re-advertised. Paid advertisement should be authorized.

848 Announcing Sales (Continued)

C Example of Informal Sales Announcement

The following is an example of an informal sale announcement.

Reproduce locally. Announcement of Sale and Invitation to Bid on Commodity Credit Corporation Loan Collateral			
		<i>Logan County FSA Office P.O. Box 257 Oakley, KS 67582 Telephone 913-447-2315</i>	
Offer No. <u> 1 </u>		Kind of Commodity <u> WHEAT </u>	
The <u> Logan </u> County FSA Office at <u> Oakley, KS </u> hereby announces the sale of commodity and invites bids on the following lots of grain subject to the terms and conditions of this Invitation to Bid. Such disposition will be for domestic unrestricted use unless otherwise indicated below. Bids will be opened on <u> January 27 </u> , 20 <u>XX</u> at <u> 2:00 </u> p.m. Bids will be considered only if received before such opening time.			
1 <u>Quantity and Location of Commodity</u>			
	<u>Lot No.</u> <u> 1 </u>	<u>Approximate Quantity</u> <u> 457 bushels </u>	<u>Location of Commodity</u> <u> 2 miles south of Oakley, KS on Highway 6 </u>
2. All bids must be submitted in writing, signed by the bidder, and specify the price per unit (such as bushel, hundredweight, pound) and "as is" and "where is" basis.			
3. Alternate or tie-in bids will not be accepted.			
4. CCC reserves the right to accept or reject, in whole or part of, any or all bids, and in considering bids to take into account the financial responsibility of the bidder.			
5. CCC does not warrant the grade/or quality of any commodity in this lot(s) or the fitness of this commodity for any particular use. The buyers may make arrangements to inspect any lots offered before bidding by making arrangements with the CED at the above named County FSA Office.			
6. Quantities in the lots indicated are approximate. Buyer is responsible for all accrued charges not paid or provided for.			
7. The sales proceeds due CCC shall be paid based on the net weight of the commodity received by the buyer. Payment shall be cash, postal money order, certified check, or draft guaranteed by the banking institution on which shown, or if approved by the CED, uncertified personal or firm check.			
8. Payment must be made at the time of delivery of the commodity and not later than 15 workdays after the date of the sale.			
9. Delivery basis is by buyer's conveyance at the storage site.			
10. CCC reserves the right to cancel this announcement at any time.			
11. Use restriction, if applicable:			
A Lot No.(s) _____ must be used only for animal feed (other than human); and/or industrial use (other than human food or beverage).			
B Lot No.(s) _____ must be used only for industrial use (other than human food or beverage).			
<u>January 10, 20XX</u> Date		/s/ <u>Carl E. Davis</u> For CCC	
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, family status, parental status, religion, sexual orientation, political beliefs, genetic information, 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 USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Stop 9410, Washington, DC 20250-9410 or call toll-free (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.			

849 Handling Bids**A Receiving Bids**

Bids must be in writing and signed by the bidder.

County Office must:

- time and date-stamp bids when received in the County Office
- keep bids in a locked file until bid opening time.

B Opening Bids

County Offices must allow at least 15 calendar days, but no more than 30 calendar days, after the date of the announcement before opening bids, unless the State Office specifically waives this requirement.

Record bids on CCC-639 at the time bids are opened. See subparagraph C for completing CCC-639.

Note: Post the successful bids according to subparagraph 850 D. Bids should be kept private and sealed until they are posted according to subparagraph 850 D.

849 Handling Bids (Continued)**C Completing CCC-639's**

Complete original CCC-639 only, according to this table, and keep in the County Office.

Item	Instructions
1	Local sales authorization number received from State Office.
2	Number serially by calendar year in County Office.
3	Enter date bids are opened.
4	Enter location of commodity.
5	Enter State and county.
6	Enter commodity.
7	Check type of sale.
8	Use loan number. If sold in more than 1 lot, add the suffix 1, 2, etc. Show bin, seal, or warehouse receipt number, as applicable.
9	Enter name and address of bidder(s).
10	Enter time and date bid received in County Office.
11	Bid price will be on an "as is where is" basis as provided for in the informal announcement.
12	Enter F.O.B. buyer and location of commodity.
13 - 21	Leave blank.
22	Give local market price.
23	Enter information pertinent to the sale.

849 Handling Bids (Continued)

C Completing CCC-639's (Continued)

The following is an example of CCC-639.

This form is available electronically.					
CCC-639 (05-17-23)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. ANNOUNCEMENT NO.	2. SALES NO.(S)
COMPETITIVE BID PRICING WORKSHEET		4. LOCATION OF COMMODITY		5. COUNTY	
		6. COMMODITY		7. TYPE OF SALE	
		AS IS ☐		GRADE BASIS ☐	
PART A - BIDS RECEIVED (If additional space is needed, use Page 2.)					
8. LOT NO. (Include Loan No. or Bin No.)	9. NAME AND ADDRESS OF BIDDER (Check successful bidder(s))	(X)	10. TIME AND DATE	11. BID PRICE (Per Unit)	12. DELIVERY BASIS (Location of Commodity)
		☐		\$	
		☐		\$	
		☐		\$	
		☐		\$	
		☐		\$	
PART B - ADJUSTED TERMINAL PRICE(S)					
13. Terminal Market				\$	
14. Grade and Quality				\$	
15. Terminal Market Price				\$	
16. Terminal Marketing Charges and Weighing and Inspection <u>1/</u>				\$	
17. Freight				\$	
18. Warehouse Load Out Charge				\$	
19. Constructed Cost (if applicable)				\$	
20. Other (specify)				\$	
21. Adjusted Terminal Price				\$	
22. LOCAL MARKET INFORMATION					
23. REMARKS					
<u>1/</u> Do not deduct these charges if not borne by CCC in the commodity office area.					
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English. To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.					

C Completing CCC-639's (Continued)

[illegible]

850 Accepting Final Bids**A State Office Approval**

State Office verbal approval is required before accepting final bid.

Note: State Office must follow up with written approval within 3 calendar days after verbal approval is given.

B Notifying Successful Bidder

County Offices must:

- complete CCC-638 according to this table
- mail copy of CCC-638, or a similar letter, to the successful bidder on the opening date
- keep original CCC-638 in County Office.

Item	Instructions
1	Number as shown on CCC-639, item 2.
2	Enter "Informal".
3	Enter State and county code.
4	Enter date bids opened.
5	Enter "F.O.B. Buyer Where Stored".
6A and B	Enter name, address, and telephone number of buyer.
7	Enter where commodity will be weighed.
8	Check unit of measure of commodity.
9	Enter commodity.
10A	Use loan number. If sold in more than 1 lot, add the suffix 1, 2, etc. Show bin, seal, or warehouse receipt number if applicable.
10B	Enter estimated quantity.
10C	Enter F.O.B. buyer and location of commodity.
10D	Enter "As is".
10E	Enter date of delivery.
10 F	Enter price shown on applicable CCC-639, item 11.
10G	Enter advance payment, if applicable.
10H	Enter estimated total amount due, 10B x 10F.
11	Enter any information pertinent to the delivery of the commodity.
12 and 13	Check the applicable box.
14A and B	Enter name, address, and telephone number of County Office.
15A and B	Signature and date of buyer.
16A and B	Signature and date of CED or designee shall sign.
17 - 22B	Complete as applicable after buyer receives commodity and CCC paid. Entries required in 17D, F, G, H and I. County Office employee must sign and date 22A and B.

850 Accepting Final Bids (Continued)

C Example of CCC-638

The following is an example of CCC-638.

CCC-638 (05-17-23)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Sales Number		2. Type of Sale	
CONFIRMATION OF SALE (See Page 2 for Privacy Act Statement.)				3. State and County Codes		4. Date Issued (MM-DD-YYYY)	
6A. Buyer's Name and Address (Including Zip Code)				5. Delivery Point (Include bin site or warehouse number & location or name)			
				7. Weigh Point (If other than delivery point)		8. Unit of Measure ☐ BU. ☐ CWT.	
				9. Commodity		Other (Specify):	
6B. Telephone Number (Including Area Code):							
10. CCC agrees to sell the lot(s) described below to the buyer subject to the terms and conditions specified herein and any applicable regulations or announcements governing such sales.							
A. Lot Identity	B. Estimated Quantity	C. Delivery Basis	D. Quality Basis	E. Delivery Date	F. Contract Price \$	G. Advance Payment \$	
						H. Total:	
11. Remarks							
12. Buyer to Sign Original and return to County Office ☐				13. Buyer Signature Not Required ☐			
14A. Name and Address of FSA County Office (Including Zip Code)				15A. Signature of Buyer			
14B. Telephone Number (Including Area Code):				15B. Date (MM-DD-YYYY):			
16A. For the FSA (County Committee Signature)				16B. Date (MM-DD-YYYY)			
17. Settlement Information							
A. Reference Number	B. Net Premium Or Discount Per Unit	C. Bin Emptying Credits Per Unit (Bin Sale Only)	D. Net Price Per Unit \$	E. Dock- Age	F. Net Quantity (In Units)	G. Net Proceeds (In Dollars) \$	H. Form CCC-257 (Numbers and \$ Amounts)
I. Totals:							
18. Form 55 No. (Bin Sales Only)		19. Refund Check No.		20. Amount of Refund \$		21. Total Net Proceeds Adjusted for Damages \$	
22A. For the Office Manager						22B. Date (MM-DD-YYYY)	

850 Accepting Final Bids (Continued)

C Example of CCC-638 (Continued)

CCC-638 (05-17-23)

Page 2 of 2

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, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used by CCC to identify/confirm the terms and conditions associated with the sale of a commodity. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for individuals/entities to participate in the CCC commodity sale process.

Paperwork Reduction Act (PRA) Statement: This information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

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D Posting Bids

Post the name of the successful bidder in the County Office on the date that CCC-638 is mailed and leave posted for at least 5 calendar days.

851 Completing Sales**A Making Payment for Sales**

Payment for the sale of the commodity must be:

- made before or at the time of delivery
- in cash or by money order, certified check, or cashier's check; if approved by CED, an uncertified personal or business check may be accepted
- received in the County Office within 15 calendar days after notification of the successful bid.

B Applicable Charges

The producer is responsible for applicable charges incurred, as necessary, to complete the sale of loan collateral.

Examples: Weighing, sampling, grading.

Document all charges for:

- nonrecourse loans on CCC-691, Part C
- recourse loans in the loan folder.

These charges must be recorded as "other charges" on the manual CCC-692 when processing the local sale settlement on nonrecourse loans.

County Offices will contact PSD through the State Office to contact the appropriate licensed grading facilities.

C Restrictive Use Certification

For commodities that do not meet sanitation requirements or that contain poisonous substances, the purchaser must sign a restrictive use certification that:

- is the same as was stated in the announcement
- will restrict the use of the commodity according to Federal or State laws governing the particular condition of the commodity.

851 Completing Sales (Continued)**D Applying Sales Proceeds**

Sales proceeds:

- from **nonrecourse** loans must be for the account of CCC and deposited in NRRS. State Offices will contact the MAL program manager for the applicable program code to use when depositing in NRRS.

Notes: Settlement with producer will be based on premiums and discounts applicable to the commodity sold.

For nonrecourse loans, do **not** apply the sales proceeds to the loan principal plus interest.

- from **recourse** loans must be applied to the receivables established in NRRS, according to:
 - Exhibit 13, subparagraph A, “distress loan”.
 - Exhibit 19, subparagraph A, “recourse loans”.

Note: Any excess amount will be paid to the producer.

See subparagraph 852 C for amounts, if any, due after completing local sale settlement.

852 Delivery for Local Sales**A Scheduling Delivery to Purchaser**

Delivery to the purchaser should be scheduled after the sale has been completed according to this part.

For **nonrecourse** loans, issue CCC-691 to the **borrower**, directing delivery to the **purchaser** F.O.B., purchaser's conveyance at the storage location.

Reminder: CCC-691 must **not** be issued for **recourse** loans.

B Supervising Delivery

County Office representative must supervise the delivery, including weighing and sampling, when applicable.

Handle nonrecourse and recourse loans according to this table.

IF a...	THEN...
farm-stored nonrecourse loan	draw a representative sample for initial grade determination used to settle with the producer. Notes: A licensed grading laboratory must make the initial grade determination to: • settle with the producer • be used in case of appeal according to paragraph 812 • issue payment, as applicable. CCC will directly pay the grading laboratory and charge the producer on the settlement. Contact PSD for the NPS code to use.
• recourse loan • loan determined ineligible according to paragraph 225	• do not draw a sample • CCC will issue payment, if applicable, for weighing the commodity.

852 Delivery for Local Sale (Continued)

C Completing Local Sale Processing

County Offices will manually process local sale settlements.

Handle nonrecourse and recourse loans according to the following.

IF a...	THEN...
farm-stored nonrecourse loan	• enter weight and grade information on CCC-691, Part B according to paragraph 816 • record local sales information, as applicable, on CCC-691, items 31 through 35 according to paragraph 817 • follow paragraphs 818 and 821, and complete settlement with the producer, as follows: • based on weights and grades delivered • without regard to the sales price received from the buyer Note: Sales proceeds will be retained by CCC and have no bearing on the settlement with the producer. • if premiums and discounts, according to the applicable 2-LP, applied during the settlement result in the commodity having a settlement rate of zero or less than zero, the settlement rate will be zero when CCC-692 is completed • immediately establish a receivable through NRRS for only the deficiency resulting from the settlement to the producer according to Exhibit 18, subparagraph A, “farm-stored nonrecourse loan”. Note: The receivable amount is equal to the principle plus interest up to the date the receivable is created. Reminder: Do not do either of the following: • reduce the settlement rate to less than zero • use the sales proceeds as the settlement value of the commodity.

852 Delivery for Local Sale (Continued)**C Completing Local Sale Processing (Continued)**

IF the loan is a...	THEN...
• recourse loan • loan determined ineligible according to paragraph 225	• manually establish a receivable in NRRS, according to 64-FI and: • Exhibit 13, subparagraph A, “distress loan” • Exhibit 19, subparagraph A, “recourse loans”. • total amount of the sales proceeds must be applied to the receivable in NRRS • for any amount owed the producer, issue the excess amount through NPS in the normal manner.

D Local Sale Documents

County Offices must maintain local sale documentation in the applicable loan folder. Local sale documentation will not be submitted to AMS.

853-865 (Reserved)

Section 4 Uncommon Liquidation Situations

866 Foreclosures

A Nonrecourse Loans

In cases where no repayment, delivery, or liquidation is made by the producer by the expiration, or extended expiration, date of CCC-691, COC must on the day **after** CCC--691 expiration, or extended expiration date, notify the producer using the letter in Exhibit 18, subparagraph H, that:

- CCC may, to the extent permitted by law, repossess the collateral by:
 - entering the premises
 - removing the entire loan quantity

Notes: Before making arrangements to remove the loan collateral, the County Office must request, through the State Office, that the regional attorney be consulted to make sure State laws are being followed with respect to seizing the loan collateral.

CED must obtain a court order from regional attorney, through the State Office, if necessary.

- the producer shall bear all expenses incurred for the delivery.

When the delivery has been completed, handle CCC-691 in the normal manner according to Section 2 and Exhibit 18, subparagraph A, “farm-stored nonrecourse loan”.

Notes: Enter the expenses, incurred by the County Office in the delivery of the commodity, on CCC-691, Part C, and also as “Other Charges” on CCC-692.

The producer’s signature is **not** required.

When CCC acquires title to the unredeemed collateral, CCC will **not** pay for any market value that collateral may have in excess of MAL indebtedness (the unpaid amount of the note and charges plus interest).

866 Foreclosures (Continued)**B Recourse Loans**

Farm-stored recourse loan foreclosure will be handled as a local sale, according to Section 3, on the 31st calendar day after the date of the demand letter. See:

- Exhibit 13, subparagraph A, “distress loan”.
- Exhibit 19, subparagraph A, “recourse loans”.

The producer will bear all expenses incurred for the sale with a separate receivable for these expenses established in NRRS.

C Notifying Producer of Removal

Use the following letter to notify the producer, according to subparagraph A, when collateral will be removed from the farm:

- nonrecourse loans, see Exhibit 18, subparagraph H
- recourse/distress loans, see Exhibit 13, subparagraph E
- recourse loans, see Exhibit 19, subparagraph E.

Note: County Office must notify the producer of all the applicable appeal options available as determined by the decision-making authority.

866 Foreclosures (Continued)

D Missing Loan Collateral

If foreclosure action is taken according to subparagraph A or B, and all or part of the commodity is **not** in the designated storage structures indicated on the loan documents, follow this table for additional action.

IF the missing quantity of loan collateral is...	THEN...
still owned and in the possession of the producer	follow Part 4 for: - determining whether a violation occurred - applying administrative actions, if applicable.
either of the following: - no longer owned - no longer in the producer's possession	- apply applicable administrative actions according to Part 4 - establish the receivable according to 64-FI, as applicable. Note: Separate receivables will be established for the outstanding loan principle, interest as of the date of the demand letter, and liquidated damages, if applicable, according to FI directives.

867 Abandonments

A Action When Collateral Abandoned

If the commodity securing a farm-stored loan is abandoned, accelerate the maturity date of the loan immediately.

If collateral is acquired in satisfaction of the loan, handle the delivery or local sale, as applicable.

B Expenses Incurred

The expenses incurred by the County Office in the delivery of the commodity must be charged against the loan settlement on CCC-691 and CCC-692 or the local sale, as applicable.

868-899 (Reserved)

Part 9 Warehouse-Stored Loan Forfeitures**900 Loan Forfeitures****A When to Process Forfeiture**

CLPS will be used to process forfeitures for all commodities except for soybeans.

When producers do not repay warehouse-stored loans by the loan maturity date complete warehouse-stored loan forfeitures by applying premiums and discounts according to 16-PS and PS directives.

County Offices **must** immediately:

- ensure that all required information is on the warehouse receipt and the commodity is correctly graded
- before processing loan or forfeitures, contact the storing warehouse operator to obtain applicable storage or public tariff rates for Federally licensed warehouses and warehouses in States listed in subparagraph 541 B
- process storage deductions, if applicable, using the offer shipping rate table for UGRSA warehouses in States listed in subparagraph 541 C; updated warehouse offer shipping rates for States listed in subparagraph 541 C are available on the FSA Intranet under “Applications”, and “Grain Warehouse Rates”
- compute the value of each warehouse receipt applying premiums and discounts using the interim forfeiture process

900 Loan Forfeitures (Continued)**A When to Process Forfeiture (Continued)**

- process warehouse-stored loan forfeitures in CLPS according to 16-PS on the first workday **after** the loan maturity date using the value of each warehouse receipt computed using the interim forfeiture spreadsheet
- if an amount is due CCC, CLPS will automatically establish a receivable in NRRS, and send the applicable demand letters

Note: Each producer signing CCC-678 is jointly and severally liable for repayment of the amount due.

- any amounts due producer, will be sent to NPS to be certified and signed
- mail the forfeited warehouse receipt to AMS on the same day transmittal report is generated according to subparagraph 901 A.

Note: For EWR's, select "Release Code/Reason", "**9-Forfeiture**" to transfer EWR to AMS.

See Exhibit 34 for actions for nonrecourse warehouse-stored loans nearing, at, or after maturity.

900 Loan Forfeitures (Continued)**B Verifying Documents**

Before processing the forfeiture in CLPS according to 16-PS, County Offices must:

- review the loan documents, each warehouse receipt, and if applicable, KC-350 (Grain) or KC-350 (Oilseed) for data accuracy
- review all warehouse receipts to ensure that warehouse receipts:
 - issued to the producer have been endorsed by the producer
 - contain proper authorized warehouse code and crop year
 - are complete and including all the required information in subparagraph 845 A
 - are graded correctly according to U.S. Grading Standards
- verify weights, bushels, and check against quantity shown on CCC-678
- enter the following in the upper-right corner of the warehouse receipt:
 - State and county codes
 - loan number
 - CCC storage start date according to subparagraph E.

The quantity eligible for forfeiture to CCC under a warehouse-stored loan is limited to the loan quantity specified on the warehouse receipt.

900 Loan Forfeitures (Continued)**C Reviewing Warehouse Receipts Before Forfeiture to CCC**

If County Offices discover any errors on warehouse receipts during the review, the warehouse operator must be contacted to come into the office to correct the warehouse receipts **before** County Offices compute the settlement rate and process the forfeiture in CLPS. All corrections on the warehouse receipts must be initialed by the warehouse operator.

Notes: County Office employees are **not** to make any corrections or edits on the warehouse receipts.

AMS allows corrections on any area of a paper receipt that was not preprinted.

AMS will determine how EWR's issued by approved providers are corrected.

D Forfeiture Process

County Offices must use the Excel Forfeiture/Settlement Spreadsheet available on the FSA Intranet at <https://inside.fsa.usda.gov/program-areas/dafp/commodity-and-facility-loans/commodity-loans/mal/index> to calculate the value on each warehouse receipt. SELECT **"Forfeiture-Settlement Worksheet"** under "Other Resources". On the bottom tab of the worksheet SELECT **"Forfeiture"**. See 16-PS, paragraph 802 for additional information about the Forfeiture-Settlement Worksheet.

After the forfeiture rate is determined for each warehouse receipt, the County Office will complete the forfeiture process in CLPS according to the instructions beginning in 16-PS, paragraph 803.

900 Loan Forfeitures (Continued)

E Determining CCC Storage Start Date

Determine the storage start date for CCC according to this table.

Note: When the forfeiture process in subparagraph A is followed, CLPS will determine the storage start date for CCC automatically.

IF...	THEN...
storage was paid or provided for through the maturity date	the storage start date for CCC is the day following the loan maturity date.
either of the following applies: - warehouse-stored loan is called before maturity and storage is refunded according to subparagraph E - storage was prepaid beyond loan maturity	the storage start date for CCC is the day following the date through which storage had been prepaid or provided.

F Prepaid Storage Refunds

Storage refunds are **not** calculated by CLPS through the forfeiture process:

- for called loans for the period corresponding to the date the loan was called through loan maturity
- for loans with excess storage paid from the date CCC acquires the commodity through the date warehouse storage charges have been paid or provided for
- at the **smaller** of the UGRSA-approved storage rate, if applicable, or the storage rate actually paid by the producer.

If a storage refund is due the producer, State Offices will contact the PSD program manager at the National Office or email MAL.LDP@usda.gov for the applicable procedure.

900 Loan Forfeitures (Continued)**G Verifying Prepaid In-Handling Charges and Storage Paid Through Loan Maturity**

Producers were required to pay or provide for both in-handling charges and storage through loan maturity before loan disbursement.

If it is discovered at loan forfeiture that in-handling and/or storage through loan maturity was not paid or provided for before loan disbursement, County Offices must contact their State Office who will contact the PSD program manager for the applicable procedure.

Farm-stored nonrecourse commodity loans that are brought under an approved warehouse storage structure are **ineligible** for in-handling charges.

When these loans are forfeited to CCC, County Offices will:

- enter the following statement on the warehouse receipt:
“Farm-stored loan converted in-store. No in-handling charges.”
- direct AMS **not** to pay in-handling charges.

900 Loan Forfeitures (Continued)**H Handling National Soybean Assessments**

Currently soybean forfeitures cannot be processed in CLPS. When warehouse-stored soybeans are forfeited to CCC, producers are responsible for the national soybean assessment, equal to 0.5 percent of the settlement value,

States with soybean forfeitures to process must contact the PSD program manager for the applicable procedure.

I Submitting Documents to AMS

County Offices must send all forfeited warehouse receipts and applicable KC-350's, if applicable, to AMS according to paragraph 901 immediately after processing the warehouse loan forfeiture in CLPS with the transmittal report generated according to subparagraph 901 A.

J Releasing CCC-678 After Forfeiture

After the warehouse receipts have been forfeited and transmitted to AMS, County Offices will:

- mark the original CCC-678, "**Forfeited**"
- return CCC-678 to the producer.

Note: If producer owes CCC an outstanding balance as a result of discounts applicable to the forfeited commodity, do **not** return the CCC-678 to the producer until the receivable in NRRS has been paid.

901 Transmittal Report

A Forfeiture Transmittal Report

A transmittal report prints as each forfeiture is completed in CLPS. This report is sent by the County Office to AMS with the forfeiture documents.

B Reviewing Documents

County Offices must:

- review the transmittal report for accuracy by comparing the report to the warehouse receipts
- obtain CED's, or designee's, signature on the transmittal report.

901 Transmittal Report (Continued)

C Incorrect Information Is Discovered

If incorrect information is discovered, County Offices must:

- delete the forfeiture of the applicable loan according to 16-PS
- re-enter corrected forfeitures according to 16-PS
- document the following on the new transmittal report:
 - an explanation of the reversal
 - if applicable, the fact that the warehouse receipt was already sent to AMS with a previous transmittal report
 - submit any additional documents, as necessary according to subparagraph F.

D Preparing Documents for Submission

County Offices must:

- sort warehouse receipts in the same order as the transactions are listed on the applicable transmittal report
- attach warehouse receipts and KC-350's, if applicable, to the transmittal report.

901 Transmittal Report (Continued)**E Sending Transmittal Information to AMS**

The following documents must be sent by the County Office to the AMS:

- original warehouse receipt(s); a copy of the receipt(s) must be kept in the loan folder

Notes: Enter on the upper right corner of the warehouse receipt(s) the following:

- State and county code
- loan number
- CCC storage start date – as storage was required to be paid or provided for through the loan maturity date at loan disbursement, the storage start date is the day following maturity according to subparagraphs 900 B and C.

For farm-stored MAL's transferred to a warehouse-stored MAL before loan maturity, see additional instruction in subparagraph 900 E.

County Offices must keep a copy of the warehouse receipt(s) in the loan folder.

- transmittal report signed by CED

Notes: The warehouse receipt numbers listed on the Transmittal Control Forfeited Warehouse Receipts Report, **must** match the receipts being mailed or EWR's transmittal to AMS.

If the warehouse receipts are EWR's, the County Office must transfer the receipts to the "CCC Owned – Kansas City, KS" in the eGrain system.

- copy of forfeiture Excel worksheet
- copy of forfeiture summary from CLPS.

901 Transmittal Report (Continued)

F Submitting Documents

On the same day transmittal control documents are generated County Offices must submit all forfeiture documents using overnight mail service through USPS, as follows:

USDA, AMS, PD, MB
STOP 8748
PO BOX 419205
KANSAS CITY MO 64141-6205.

Note: These documents are being sent to a USPS post office box. UPS and FedEx must **not** be used to send them.

901 Transmittal Report (Continued)

G Adjusting Automated Receivable in NRRS for Amounts Due CCC

The producer owes interest to CCC on any deficiency due to the quality of the commodity from the date of disbursement to the date the deficiency is repaid. The interest is not accounted for when any deficiency is sent from CLPS to NRRS. Because of this, County Offices must adjust the receivable in NRRS according to 64-FI.

H Maintaining Copies

County Offices must maintain a copy of transmittal control documents in both of the following:

- by crop year in a separate forfeiture file
- in the loan folder for the forfeited loan.

902-999 (Reserved)

Part 10 LDP's**Section 1 General Provisions****1000 Basic Provisions****A Definition of LDP's**

[7 CFR 1421.200] LDP's are payments made to producers who, although eligible to obtain a CCC loan, agree to forgo the loan in return for a payment on the eligible commodity.

B General Provisions

LDP's:

- will be processed through the LDP website by the County Office or producer
- will be issued by EFT or check, as applicable, subject to assignment on CCC-36

Note: See 58-FI for information on CCC-36.

- are subject to administrative offset according to 58-FI
- are subject to AGI requirements

Notes: The applicable AGI document is required before CCC-633 EZ, pages 2, 3, and 4 are approved. The LDP rate is determined according to paragraph 1004. See current AGI policy for additional information.

CCC-941 is required for producer and all interest holders in a legal entity according to 6-PL.

CCC-941 **must** be on file according to 6-PL, Part 6 for each applicable crop year prior to final LDP availability.

1000 Basic Provisions (Continued)

B General Provisions (Continued)

- require AD-1026 according to 6-CP for producer and all affiliated persons
- **must** be approved when all eligibility requirements are met, but the LDP rate is determined according to paragraph 1004

Note: All applicable eligibility forms must be signed and returned to the office by final LDP availability.

- Graze-Out payments, for the 2019 through 2023 crop year are not subject to payment limitations
- **cannot** be canceled or repledged once a request has been made or disapproved

Note: LDP requests disapproved because the requested quantity exceeded the maximum eligible quantity may be approved if the producer provides acceptable production according to paragraph 230.

- **cannot** be repaid to request a subsequent loan or LDP on the same quantity
- are **not** subject to commodity assessments
- are subject to spot check according to Part 3
- will be paid when approved
- require CCC-902, and CCC-901 if an entity, and COC **must** make a determination for member contribution
- exceeding \$100,000 requires the applicant to comply with lobbying disclosure requirements (paragraph 28).

Lien searches and lien waivers are **not** required for LDP's.

Note: See subparagraph 200 A and Exhibit 8 for eligibility requirements.

1000 Basic Provisions (Continued)**C Producer and CMA Eligibility Requirements**

Producers and approved CMA's for their members, applying for LDP, must:

- meet eligibility requirements in Part 2, as applicable
- agree to forgo obtaining a loan for the quantity on which LDP is requested.

D Deadlines for Submitting Eligibility Documents

All required eligibility documents for all producers or entities on a LDP application must be submitted to the applicable County Office:

- by the final availability date for that commodity

Example: Final availability date for requesting a wheat LDP is March 31, 20XX. All eligibility documents for all producers or entities on an LDP application must be submitted to the County Office where the application was submitted by that date.

- before the LDP can be processed and disbursed.

E Storage Requirements

[7 CFR 1421.200] Approved storage requirements are waived for LDP's.

1000 Basic Provisions (Continued)**F LDP Numbers**

LDP numbers will be assigned by the automated system. The number assigned by the LDP system will be provided from an external site for LDP's processed by both County Offices and producers.

G Filing LDP's

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

- a separate LDP file for **each** request received
- LDP file for **each** producer
- LDP file for **each** producer by commodity.

See subparagraph I for an example of a County Office checklist for determining eligibility and processing an LDP request.

H LDP Amount Reported to IRS

LDP amounts are reported to IRS; however, LDP's made to CMA's are prepared by the CMA.

1000 Basic Provisions (Continued)

I Suggested County Office Checklist for LDP's

The following is an example checklist that can be used when completing LDP approvals and issuing payments.

Step	Action
1	Take CCC-633 EZ at counter, remove from FAX machine, or print submitted from eGov/efrms and do the following: • date stamp application and supporting documentation, such as production evidence • ensure that: • CCC-633 EZ is complete and signed by all required producers • CCC-633 EZ, page 1 is on file, if producer is submitting page 2, 3, or 4 • FSA-211 is on file, if applicable • LDP rate is correct for date of request and county where stored.
2	Check the following eligibility for all producers on the applicable LDP request: • AD-1026 completed for producer and all affiliated persons • beneficial interest, if applicable • CCC-902, and CCC-901 if an entity. In addition, COC must make the following determinations: • actively engaged in farming • cash rent tenant • member contribution • completed CCC-941 for producer and all interest holders in a legal entity according to 6-PL Note: CCC-941 must be on file according to 6-PL, Part 6 for each applicable crop year. • commodity eligibility • compliance with DCIA, foreign person, controlled substance, and fraud provisions • all crop acres reported on FSA-578, unless honey, mohair, or wool.

1000 Basic Provisions (Continued)

I Suggested County Office Checklist for LDP's (Continued)

Step	Action
3	Quantity eligibility according to paragraph 230. Ensure that quantity is within COC set maximum yield for that specific commodity and crop year. According to subparagraph 230 H, if quantity requested exceeds COC maximum yield by more than 10 percent, COC approval must be noted in COC minutes. Ensure that producer's profile is updated in eLDP with eligibility for current crop year.
4	Process the LDP request in LDP according to 15-PS. The original CCC-633 EZ and applicable pages 2, 3, or 4 will be maintained in the County Office folder. Note: If a measured LDP: • include the following in the County Office folder: • original CCC-677-1 • County Office copy of FSA-409 • provide the producer a copy of: • CCC-677-1 • producer's copy of FSA-409. The producer will receive a Producer's Disbursement Transaction Statement from Kansas City when the LDP request has been processed and paid.
5	File County Office copies and County Office will determine how to file LDP documents in a manner best suited to them according to subparagraph F.

Note: If LDP proceeds exceed \$100,000, the County Office will need to have producer complete CCC-674 or SF-LLL. See paragraph 28.

1001 Requests for LDP's Documented on CCC-633 EZ**A General Information**

LDP requests are complete when a County Office receives a completed and signed CCC-633 EZ, page 1 and page, 2, 3, or 4, as applicable.

Note: CCC-633 EZ is the **only** form approved for requesting LDP's.

CCC-633 EZ's allow producers to enter into an agreement with CCC to indicate intention to receive LDP benefits for all eligible commodities for the applicable crop year. CCC-633 EZ's:

- incorporate all types of LDP requests into a single 2-part application consisting of page 1 (LDP agreement) and pages 2, 3, and 4 (LDP benefit requests)
- ensure that LDP benefits for eligible producers on all eligible commodities when page 1 is filed **before** loss of beneficial interest, and pages 2, 3, and/or 4 are received **before** the final loan/LDP availability date
- cover production sold before CCC-633 EZ, page 2 or 4, is submitted as long as the producer filed a CCC-633 EZ, page 1 before loss of beneficial interest
- cover "over-run bushels" delivered for sale, not to exceed the reasonable quantity for that commodity
- can be used to request LDP's for all eligible loan commodities listed in subparagraph 226 C, including hay and silage
- cover all quantities the producer has beneficial interest in on the date page 1 is completed and received in the applicable County Office

1001 Requests for LDP's Documented on CCC-633 EZ (Continued)**A General Information (Continued)**

- page 1 only needs to be filed in 1 County Office for all counties in which the producer or entity has an interest in an eligible commodity

Note: County Offices must FAX a copy of the completed CCC-633 EZ to all counties in which the producer has an interest according to subparagraph C.

- do not negate the producer's ability to obtain MAL

Note: If the producer submits CCC-633 EZ, page 2 or 4 requesting payment of LDP benefits, then the specific quantity in which the LDP benefit was requested becomes ineligible for MAL.

- apply to CMA's who apply to service County Offices for LDP's according to 1-CMA.

By completing and agreeing to the terms and conditions provided on CCC-633 EZ, page 1 before losing beneficial interest, producers may be eligible to receive LDP benefits based on the earlier of:

- date beneficial interest is lost in the eligible commodity according to acceptable production evidence
- the date of request for payment, if beneficial interest is retained
- date of delivery, if beneficial interest is retained.

Producers **must** submit CCC-633 EZ, page 1 and page 2, 3, or 4 and all required eligibility documents **before** the applicable final availability date for the respective commodities to be eligible for the LDP benefit. See subparagraph 226 C for a listing of the final loan availability date for specific commodities.

A request for LDP is complete once a signed CCC-633 EZ page 1 and page 2, 3, or 4 and all applicable eligibility forms and supporting documents are received in the county office.

1001 Requests for LDP's Documented on CCC-633 EZ (Continued)**B Submitting CCC-633 EZ's**

While CCC-633 EZ, page 1 can be submitted to any County Office in which the producer has an interest, CCC-633 EZ, pages 2, 3, or 4 **must** be requested at the County Office where the farm records are kept for the farm on which the commodity was produced. Requests **must** be submitted by any of the following:

- in person
- by mail
- by FAX
- through eForms.

Following submission to a County Office and approval of CCC-633 EZ, page 1, LDP requests can be submitted directly to eLDP by eligible producers from home who have:

- a customer profile
- level 2 eAuthentication account access.

1001 Requests for LDP's Documented on CCC-633 EZ (Continued)**C Multi-County Producers**

If the producer farms in more than 1 county, the County Office first contacted will:

- accept the LDP request on CCC-633 EZ, page 2, 3, or 4
- contact the other County Offices when either of the following applies:
 - the request covers eligible production from more than 1 farm and the farm program records are kept in more than 1 County Office
 - LDP's were received from more than 1 County Office
- FAX LDP requests to the applicable administrative County Office for completion.

If a single CCC-633 EZ, page 2, 3, or 4, includes production from multiple farms that are located and/or administered in different counties, the County Office that accepts the LDP request **must** indicate in item 32 that "multiple LDP's will be issued to cover the requested quantity according to this LDP request". The producer can request that only one county process LDP's produced on farms from other counties. County Offices must refer to LP directives on the process to follow.

Note: The applicable administrative County Office **must**:

- verify the COC-established maximum yield for the eligible production in the applicable county
- document in item 32 where the verification of information was obtained.

The producer must have a farming interest and have produced the commodity in the county that he requests to process the LDP.

1001 Requests for LDP's Documented on CCC-633 EZ (Continued)**D Commingled Commodities**

For LDP requests on commingled commodities, producers may request individual or joint LDP's. For joint LDP's, all producers whose share of the commodity is included **must** sign CCC-633 EZ, page 2, 3, or 4.

E Approvals and Payments

LDP requests must be:

- approved when all producer eligibility requirements are met with LDP rate determined according to paragraph 1004
- date-stamped when CCC-633 EZ, pages 1 and 2, 3, or 4 are received in the County Office to indicate the intention and the request date.

Note: If the FAX machine preprints the correct date time, when any of the CCC-633 EZ, pages are received in the County Office or if the date is printed on an eForms submission, then the date stamp is not required.

Issue payments when:

- all producer eligibility documents are signed and verified by the County Office
- CCC-633 EZ, page 1 has been filed and page 2, 3, or 4 has been approved
- all required production evidence, such as delivery documentation, has been received for LDP's on which beneficial interest has been lost
- second party review has been completed according to paragraph 234; reviewer should initial and date CCC-633 EZ, page 2, 3, or 4
- CCC-770 LDP/eLDP has been completed and signed, if applicable.

1001 Requests for LDP's Documented on CCC-633 EZ (Continued)

F Prompt Payment

See subparagraph 35 B for prompt payment due dates. The COC approval date is used to determine any applicable prompt payment interest.

G Canceling CCC-633 EZ's

CCC-633 EZ, page 2, 3, or 4 **cannot** be canceled at any time. After producers sign CCC-633 EZ, page 2, 3, or 4, LDP is obligated to be paid by CCC to the producer.

H Deferred Payments

Payments **cannot** be deferred or delayed at any time. All payments **must** be made as soon as possible after the date of request.

1002 CCC-633 EZ's

A Page 1

The purpose of CCC-633 EZ, page 1 is to:

- allow producers to indicate their intention to receive LDP benefits
- be completed 1 time per crop year to include all eligible commodities in which the producer maintains beneficial interest on the date page 1 is received in the applicable County Office
- cover all counties in which the producer or legal entity does business.

CCC-633 EZ, page 1:

- **must** be received in the County Office on or **before** subsequent CCC-633 EZ, pages 2, 3, or 4 are submitted for payment

Note: DMA's and LSA's will obtain CCC-633 EZ from their customers.

- is crop year specific and does **not** apply for subsequent crop years
- may be submitted by the producer for the next crop year, beginning **October 1** of the preceding crop year, through the final availability date for the applicable commodity, as long as the producer still has beneficial interest in the commodity.

County Offices will encourage producers to submit CCC-633 EZ, page 1 each crop year when reporting their crop acres whether or **not** the producer plans to subsequently request a loan or LDP.

Because CCC-633 EZ, page 1 serves as the producer's **intention** to request and receive LDP benefits, the producer still maintains the ability to pledge the eligible commodity for MAL. The eligible commodity becomes ineligible for MAL, when page 2 or 4 has been submitted for payment of LDP benefits.

1002 CCC-633 EZ's (Continued)**A Page 1 (Continued)**

The County Office receiving the initial filing of CCC-633 EZ, page 1, will:

- complete Part D
- FAX or mail a copy to all County Offices, identified in item 5, in which the producer or entity has a farming interest.

Note: If there are additional counties that the producer neglected to include in item 5, LDP benefits are **not** denied because that County Office did **not** receive CCC-633 EZ, page 1; FAX or mail omitted County Offices a copy of CCC-633 EZ, page 1 when identified.

1002 CCC-633 EZ's (Continued)**B Page 2**

CCC-633 EZ, page 2 is for all harvested commodities, **except** cotton.

For commodities harvested as other than grain, fed, or used for seed, determine a yield according to paragraph 336.

Note: The option of using 3 similar farms to determine a yield is **not** authorized.

Producers may submit:

- multiple requests using the applicable CCC-633 EZ, page 2, 3, or 4, to cover all eligible quantities
- one CCC-633 EZ, page 2 to cover multiple commodities if the quantities are requested on the same day.

Example: Producer can submit CCC-633 EZ, page 2 on January 21, 20XX, for corn and soybeans. Only one CCC-633 EZ, page 2 is necessary, but 2 separate LDP's will be processed in eLDP.

Note: Once CCC-633 EZ, page 2, 3, or 4, is submitted and approved for payment, **no** other changes can be made to the original CCC-633 EZ.

C Page 3

CCC-633 EZ, page 3 is for cotton; see 7-CN.

D Page 4

CCC-633 EZ, page 4 is for wool, mohair, and unshorn pelt LDP requests.

1002 CCC-633 EZ's (Continued)

E Page 5

CCC-633 EZ, page 5 is a continuation sheet for additional signatures.

F Completing CCC-633 EZ, Page 2

To receive LDP benefits, producers **must** complete and submit to DMA or County Office where the farm records are maintained for the farm on whose production LDP is requested, or where producer has requested to receive LDP's if they farm in more than 1 county, CCC-633 EZ, page 2 or 4, as applicable. Producers who submit CCC-633 EZ, page 2:

- and retain beneficial interest in the requested quantity, will receive LDP based on the LDP rate in effect in the county where the commodity is stored on the date a completed page 2 is received in that DMA or County Office
- after beneficial interest is lost in the requested quantity, will receive LDP based on the LDP rate in effect in the county, on the date, where beneficial interest was lost

Note: CCC has the sole discretion for determining when beneficial interest is lost in the commodity as provided in subparagraph 227 G. Acceptable production evidence **must** be provided with page 2 or 4 if the producer no longer retains beneficial interest in the requested quantity.

- based on the date of delivery, will receive LDP based on the LDP rate in effect in the county where the commodity was physically delivered on the date of delivery.

1002 CCC-633 EZ's (Continued)

F Completing CCC-633 EZ, Page 2 (Continued)

When production evidence is provided with page 2, LDP will **not** be subject to spot check.

IF the source of the LDP quantity (item 21) is...	THEN the...
certified	commodity is subject to random spot check and producers are required to submit acceptable production evidence according to subparagraph 335 C.
measurement service	County Office would initiate measurement service with FSA-409. The quantity indicated on CCC-633 EZ, page 2 would receive LDP rate in effect on the date page 2 is completed and submitted but would not be paid until verified by measurement service. The applicant must enter a specific quantity or "All" in CCC-633 EZ, page 2, item 20 for the payment request to be complete. This prevents the producer from leaving CCC-633 EZ, page 2, item 20 blank and then altering the request after the measurement service is completed because of a change in LDP rate.
production evidence	producers are required to submit acceptable production evidence according to subparagraph 335 C with page 2.

***--G Instructions for Completing CCC-633 EZ**

Manually complete CCC-633 EZ for LDP request according to this table. CCC-633 EZ is available as a fillable form at <https://intranet.fsa.usda.gov/dam/ffasforms/currentforms.asp>.

Item	Instructions
1	Enter name and address of the producer.
2	Enter telephone or cell number.
3	Enter crop year of the commodity.
4	Enter States and counties.
5 – 6	After reading the producer certification statement in Part C, all producers must sign and date.
7 – 11	CCC Use Only: Enter signature, title, date, and name and address of the County Office, LSA, or DMA. Note: Any additional information will be added in item 10.
12 – 13	Enter contact name, mailing address, and telephone number of the individual contact producer, entity, partnership, joint venture, trust, estate, or corporation that is requesting an LDP.
14	Enter crop year.
15	Enter State and county where farm records are maintained.

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1002 CCC-633 EZ's (Continued)

*--G Instructions for Completing CCC-633 EZ (Continued)

Item	Instructions
16	Check (✓) the appropriate box to the question, "Are you or any co-applicant delinquent on any federal non-tax debt?". If "Yes", explain in item 34.
17	CCC Use Only: Enter LDP application number.
18 – 22	Enter commodity, net quantity, source of quantity, location, and effective date of LDP requested.
23	CCC Use Only: Enter LDP rate.
24 – 29	After reading the producer certification statement in Part F, all producers must sign and date.
30 – 34	CCC Use Only: Enter approval signature, title, date, action (approved or disapproved), and second party review.
Parts H – K	Cotton Use Only.
35 – 36	Enter contact name, mailing address, and telephone number of the individual contact producer, entity, partnership, joint venture, trust, estate, or corporation that is requesting an LDP.
37	Enter farm number.
38	Enter crop year.
39	Check (✓) the appropriate box to the question, "Are you or any co-applicant delinquent on any federal non-tax debt?". If "Yes", explain in item 58.
40	Producer initials to verify LDP type and bale quantity.
41	Enter and verify quantity, type, beneficial interest, bales, and LDP rate. [verify]
42	Enter gin code.
43	Enter module location at farm or gin.
44	Enter gin's module and trailer numbers.
45 – 50	After reading the producer certification statement in Part J, all producers must sign and date.
51 – 54	Enter LDP number, file sequence number, date files received, and bale count.
55 – 61	CCC Use Only: Enter approval signature, title, date request submitted, name and address of County Office or LSA, second party review, action (approved or disapproved), date signed, and AWP on applicable date.
62 – 93	Wool, Mohair, or Unshorn Pelt Use Only: See 2-LP Wool and Mohair.

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1003 Acceptable CCC-633 EZ's**A Additional Information for CCC-633 EZ's**

CCC-633 EZ's are considered complete when both of the following are met:

- County Office has received CCC-633 EZ, page 1
- producer correctly completes CCC-633 EZ, page 2, 3, or 4, including all producer signatures.

To be considered an acceptable LDP application for using the current rate, at the minimum, all of following items **must** be completed on CCC-633 EZ page:

- 1 – items 1, 4, 5, 6A and B
- 2 – items 13A, 15, 16, 17, 19, 20, 21, 22, 25A and B, 26
- 4 – items 57, 60, 61, 62, 64, 65, 66, 67, 68, 79A and B, and 80 for wool or mohair items 57, 60, 61, 62, 72, 73, 74, 75, 76, 79A and B, 80 for unshorn lamb.

Notes: The date of the producer's signature is not required because the date the form is received in the county is the applicable date. The form must be date stamped with the current date unless the FAX or fax2mail date is automatically included on the form.

For page 3 for cotton, see 7-CN.

If CCC-633 EZ forms are received missing any items listed above, provide the producer with written notification that:

- CCC-633 EX did not contain adequate information
- a new LDP rate will be established based on the date a new acceptable CCC-633 EZ, page 2, 3, or 4 is received in the County Office.

1003 Acceptable CCC-633 EZ's (Continued)

B Unacceptable LDP Applications

Unacceptable LDP applications, submitted to the County Office according to subparagraph 1001 B, are:

- applications submitted on any form other than CCC-633 EZ
- CCC-633 EZ's missing information that is absolutely necessary to determine LDP.

If CCC-633 EZ's are received with only the minimum items completed, the County Office must:

- contact the producer to obtain any additional information needed to process the LDP request
- document the date and method contacted on the LDP request.

C Signatures

Follow-up original copies and signatures are **not** required for FAXed CCC-633 EZ's.

1003 Acceptable CCC-633 EZ's (Continued)

D CCC-633 EZ's Requested But Not Received

If a producer inquires about a FAXed CCC-633 EZ that was not received, County Offices must:

- require producer to submit documentation to verify the date and time of the CCC-633 EZ FAX transmission
- accept producer's completed CCC-633 EZ
- document the date CCC-633 EZ was FAXed and the reason the FAX was not received
- use the LDP rate in effect on the date printed by the FAX machine on the original CCC-633 EZ transmittal
- **not** accept or approve producer's CCC-633 EZ unless the producer can provide actual FAXed date verification.

Note: Incomplete transmissions are **not** considered to be valid CCC-633 EZ's.

1004 LDP Rates**A Effective LDP Rate**

LDP rate is the rate in effect on the date:

- of request, if beneficial interest is maintained on date of request
- beneficial interest is lost according to acceptable production evidence
- of delivery, if the producer requests the date of delivery option on the applicable CCC-633 EZ, page 2 **before** delivering the requested quantity.

The date beneficial interest is lost is the date the producer loses control of the commodity. Examples of when beneficial interest is lost include but are not limited to the following:

- sale
- feeding to livestock
- delivery to:
 - unapproved or unauthorized warehouse
 - livestock feeder
 - processor
 - ethanol or bio diesel plant
 - wool pool.

For commodities immediately fed during harvest, see subparagraph F.

1004 LDP Rates (Continued)**B Determining LDP Rates**

LDP rates are determined by the amount the applicable commodity loan rate exceeds the CCC determined value where:

- the commodity is stored for LDP in which the producer maintains beneficial interest
- beneficial interest is lost in the requested commodity.

Use LDP rate in effect until the next posting of the repayment/LDP rates.

Example: Use LDP rate announced on Friday for commodities delivered on a Saturday, Sunday, or on a Monday Federal holiday.

For eligible commodities stored out of the United States, base the LDP rate on the county where LDP is requested.

See Part 7, Section 6 for determining the CCC-determined value.

C LDP Rate for Multiple Deliveries

The LDP rate for multiple deliveries of production covered under CCC-633 EZ is based on the first consecutive quantity delivered, unless otherwise designated on CCC-633 EZ.

Selecting a specific delivery date to obtain LDP rate for all quantity delivered is **not** permitted.

If multiple deliveries occur for production delivered under CCC-633 EZ and:

- multiple LDP's will be made, LDP rate is based on the date of delivery for the quantity being paid under LDP, as applicable
- a single LDP will be made, the weighted average LDP rate for the total quantity will be determined based on the eligible LDP rate for the dates eligible quantity was delivered.

1004 LDP Rates (Continued)**D Determining LDP Amounts**

LDP amounts are calculated by multiplying the applicable LDP rate times the LDP quantity requested.

E LDP Rate for FAXed CCC-633 EZ, Page 2, 3, or 4

For FAXed CCC-633 EZ, page 2, 3, or 4, the LDP rate is the applicable rate in effect when CCC-633 EZ, page 2, 3, or 4 is received in the County Office, if LDP request is completed according to subparagraph 1003 A.

Example: If the rate is announced at 7 a.m. EST and the FAXed CCC-633 EZ is received at 5 a.m. EST, LDP rate is the rate in effect on the previous workday.

Note: See subparagraph 763 B for information on rate announcement times.

F Fed or Processed Commodities

Commodities stored on the farm that were harvested as feed or later processed may be requested on CCC-633 EZ, page 2 after harvest ends. For commodities fed during harvest, LDP's must be requested on CCC-633 EZ, page 2. If feeding dates are within reason, LDP rate is based on the date the producer certifies that the commodity was fed. **Questionable cases may be reviewed by the COC for reasonableness.**

1005 Eligible Quantity**A Commodity Eligibility Requirements**

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

- meet eligibility requirements in Part 2, including beneficial interest requirements
- have been produced by an eligible producer meeting all producer eligibility requirements.

Notes: Producers found ineligible after submitting CCC-633 EZ, page 1, and are later able to reestablish eligibility **before** the final loan/LDP availability day, are eligible to request LDP payment on CCC-633 EZ, page 2 or 4 based on the day of LDP request or day beneficial interest was lost.

County Offices must notify producers in writing that they have not met producer eligibility requirements and not have been previously:

- pledged as collateral for a loan
- requested or paid for LDP.

Note: Producers **must** submit a valid CCC-633 EZ, page 1 **before** losing beneficial interest.

IF...	THEN...
producer maintains beneficial interest and has submitted CCC-633 EZ, page 2 before submitting CCC-633 EZ, page 1	the LDP rate would be based on the date a correctly signed and completed CCC-633 EZ, page 1 is received in the County Office.
beneficial interest has been lost and CCC-633 EZ, page 2 is submitted before CCC-633 EZ, page 1 is received in the County Office	the quantity is ineligible for LDP.

1005 Eligible Quantity (Continued)**A Commodity Eligibility Requirements (Continued)**

The following are eligible for LDP:

- a quantity of a commodity eligible to be repledged for a nonrecourse loan
- silage and hay derived from an eligible loan commodity.

Note: Silage, hay, and roasted commodities are **not** eligible for MAL.

For LDP's on:

- commodities harvested as other than grain, see Section 2
- low quality commodities, see Section 3
- contaminated commodities, see Section 4
- HM or excess moisture commodities, see Section 5
- dry peas, see subparagraph 230 D.

B Quantity Requested

Eligible producers may request LDP quantities by:

- certifying the quantity
- requesting measurement service
- certifying date of delivery
- providing delivery evidence.

If moisture levels are in excess of the maximum eligible moisture level applicable to the commodity, producers may want to certify the moisture percent, or adjust the certified quantity, to avoid possible refunds if LDP is selected for spot check.

1005 Eligible Quantity (Continued)**C Certified Quantity**

Producers may request LDP by certifying the quantity. A reasonableness check using yields established by COC, according to 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 Part 3.

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

If producers later request measurement service and indicate on CCC-677-1 to use the quantity determined for production evidence:

- place CCC-677-1 in the producer's file
- use the measurement if LDP is later selected for spot check
- no further action is necessary.

1005 Eligible Quantity (Continued)

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 or 4
- 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 want to certify to the quantity or date delivered, requests can be completed by providing production evidence according to Part 3, Section 3.

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

1006 LDP Types**A Types of LDP's**

LDP's are requested for any stored quantity the producer maintains beneficial interest in on date of request and can be either:

- farm-stored quantities
- warehouse-stored quantities.

B Rate for Type

This table provides guidance for determining LDP rate based on LDP type provided CCC-633 EZ, page 1 is on file.

LDP Type	LDP Rate
Beneficial interest maintained.	Rate on date of request.
Beneficial interest lost.	Rate in effect on date sold or date delivered to a non-authorized warehouse according to acceptable sales evidence.
Delivery date. Note: Beneficial interest maintained, but before delivery the producer requests to use rate in effect on date of delivery.	Rate in effect on date delivered from the field.

1007 Completing CCC-633 EZ's**A Page 1**

Complete CCC-633 EZ, page 1 according to the following.

Item	Instructions
1	Enter name and address of the producer (individual, joint operation, or legal entity) for which benefits may be requested.
2	Enter telephone number, including area code, of the producer.
3	Enter last 4 digits of TIN for the producer in item 1.
4	Enter crop year for the commodities covered by CCC-633 EZ.
5	Enter States and the counties where the producer has an interest for the designated crop year. Note: CCC-633 EZ covers interests in all eligible LDP commodities of the producer in item 1. The County Office that first receives page 1, will forward to other County Offices, as applicable, by FAX or mail.
Part A – Terms and Conditions	
All producers requesting LDP must review and understand the terms and conditions of this agreement.	
Part B – Methods of Payment Request	
All producers requesting LDP must review and understand the methods by which a payment request may be initiated under this agreement.	
Note: Page 2, 3, or 4 must be received in the County Office before the final loan availability date for the applicable commodity.	

1007 Completing CCC-633 EZ's (Continued)

A Page 1 (Continued)

Item	Instructions
Part C – Producer Signature and Certification	
6 and 7	After reading the certification statement, the producer must sign and date in items 6 and 7. The signatures indicate the producer has reviewed and agrees to the conditions listed. There will be one CCC-633 EZ, page 1 per producer. Multiple signature lines are provided for cases where multiple signatures are required to act for an operation or legal entity. If additional signature lines are needed, the producer will use page 5, Part C. In item 6B, “Title/Relationship”, the signatory will enter their relationship authorizing them to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc. Example: Treasurer of Smith Bros., Inc. If the applicant is not signing in the representative capacity, leave field 6B blank. If “SELF” is written to indicate the producer is signing on their own behalf, it is acceptable, however, not necessary. Note: Generally, there will be one CCC-633 EZ, page 1 per producer. Multiple signature lines are provided for cases where multiple signatures are required to act for the operation or legal entity. If additional signature lines are needed, the producer will use page 5, Part C.
Part D – CCC Agreement (FSA Use Only)	
8	Enter signature of any CCC representative. Note: The signature of any CCC representative on this page only acknowledges the date that this form, signed by the producer, was received in the County Office. This form is not a request for payment, only an acknowledgement that the individual presenting this signed form to the County Office has beneficial interest in the commodity on the date received. This page is filed in the County Office and only becomes relevant if and when the producer also submits a page 2, 3 or 4, requesting a LDP.
9	Enter title of any CCC representative.
10	Enter date of CCC representative's signature.
11	Enter additional information pertinent to the approval or disapproval of agreement.
12	Enter name and address of the County FSA Office, LSA, or DMA receiving and signing the original page 1. The County Office may enter their assigned State and county code in place of the County Office name and address.

Note: Pages 2, 3, or 4 **must** accompany all requests for payment. If additional information is needed to determine eligible producer, net quantity, and payment rate, then the request will **not** be paid until evidence is provided.

1007 Completing CCC-633 EZ's (Continued)

B Page 2

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

Item	Instructions
Part E – Request for LDP	
13A	Enter producer's name, address, and telephone number, including area code. Note: This should be the same as in item 1.
13B	Enter last 4 digits of TIN of the producer in item 13A.
14	Enter alternate phone number, including area code, of producer in item 13A (optional).
15	Enter crop year for which LDP is requested.
16	Enter 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	For FSA use only. Enter processing system-assigned LDP number.
19	Enter 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, applicants must indicate the predominate class of wheat.
20	Enter net quantity and unit of measure requested for this payment. Note: 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, bu., lbs, or cwt. CCC is required to establish a whole grain yield according to paragraph 336.

1007 Completing CCC-633 EZ's (Continued)

B Page 2 (Continued)

Item	Instructions
Part E – Request for LDP (Continued)	
21	Check (✓) the box from the following that corresponds with the source of the quantity in item 20: • “A”, “Certified”, if no acceptable production and/or sales evidence is provided at the time of payment request Note: Certified quantities are subject to spot check. CCC may require production evidence to support the certification. • “B”, “Measurement Service”, if measurement service is requested to determine quantity Note: The servicing County Office will initiate a measurement service at the location described in item 22. By requesting measurement service, the applicant agrees the quantity determined by measurement service will be the maximum quantity eligible for LDP and the request for payment is irrevocable. • “C”, “Production Evidence”, if request for payment is accompanied by production and/or sales evidence. Note: When acceptable production and/or sales evidence is provided at the time of payment request, no additional documentation will be required.
22	Enter: • State, if necessary, and county where the quantity in item 20 is stored • location within the same county where the commodity is stored. Example: Bin number, legal description, and/or land description; enter the warehouse name if commodity is warehouse-stored. A separate LDP request must be completed for quantities stored in a different county.
23A and 23B	Enter date of this request, date BI was lost, or the date of delivery. If a request has multiple dates (such as date of feeding or sale) and production evidence or schedule/ledger that is provided shows when BI is lost, this item can be left blank. If page 2 is filed before delivery and the producer wants to use the “date of delivery” option, Box “B” must be checked.

1007 Completing CCC-633 EZ's (Continued)

B Page 2 (Continued)

Item	Instructions
Part E – Request for LDP (Continued)	
24	For FSA use only. Enter LDP rate in effect according to the applicable date as provided in item 23. For multiple dates of delivery, ENTER “ See Attached Production Evidence ”.
Part F – Producer Certification	
25 through 27	After reading the certification statement, the producer must sign, enter share percentage of the LDP quantity, and date in items 25A, 26, and 27. The signatures indicate the producer has reviewed and agrees to the conditions listed. There will be one CCC-633 EZ per producer. Multiple signature lines are provided for cases where multiple signatures are required to act for an operation or entity. If additional signature lines are needed, the producer must use page 5, Part F. The approval date will be the date all required signatures are in the County Office. In item 25B, “Title/Relationship”, the signatory shall enter their relationship authorizing them to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc. Example: Treasurer of Smith Bros., Inc. If the applicant is not signing in the representative capacity, leave field 25B blank. If “SELF” is written to indicate the producer is signing on behalf of their own self, it is acceptable; however, not necessary. If beneficial interest has not been lost, the effective LDP rate will be based on the time and date a properly completed request for payment is received in the FSA County Office.
Part G – CCC Approval	
28	Ensure all eligibility documents are completed
29	Enter signature of authorized CCC representative.
30	Enter title of authorized CCC representative.
31	Enter date of CCC representative's approval.
32	FSA office will check (✓) either “Approved” or “Disapproved”.
33	Enter any additional information pertinent to the approval or disapproval of this payment request. Second party review initials are required .

1007 Completing CCC-633 EZ's (Continued)**C Page 3**

Complete CCC-633 EZ, page 3 according to 7-CN.

D Page 4

Complete CCC-633 EZ, page 4 according to the following.

Notes: Items 57 through 86 are **only** applicable to wool, mohair, or unshorn pelt LDP's.

Beginning on May 5, 2017, mohair was eligible for nonrecourse MAL's and, if applicable, LDP's.

Item	Instructions
Part M – Request for Wool, Mohair, or Unshorn Pelt LDP	
57	Enter producer's name and address. Note: This should be the same as in item 1.
58	Enter last 4-digits of the applicant's TIN.
59	Enter telephone number, including area code, of the producer.
60	Enter crop year for which LDP is requested.
61	Check (✓) either "Yes" or "No" to the question, "Are you or any co-applicant delinquent on any Federal non-tax debt"? If "Yes", then explain in item 86.
62	Enter State and county where the farm records are maintained.
Part N – Complete for Wool or Mohair	
63	For FSA use only. Enter processing system-assigned LDP number
64	Check (✓) either "Mohair" or "Wool" to indicate the applicable commodity for which this LDP is requested.
65	If "wool" is selected in item 64, check either "Graded" or "Ungraded" to indicate applicable type of wool. If graded is selected, enter the micron and yield from the core test report in item 86, "Additional Information". Note: This item is not applicable to mohair.
66	Enter net quantity requested for this payment in lbs.

1007 Completing CCC-633 EZ's (Continued)

D Page 4 (Continued)

Item	Instructions
Part N – Complete for Wool or Mohair (Continued)	
67	Check (✓) the box from the following that corresponds with the source of the quantity in item 66: • “A”, “Certified”, if quantity is based on producer certification and no acceptable production and/or sales evidence are provided at the time of payment request Note: Certified quantities are subject to spot check and CCC may require production evidence to support the certification. • “B”, “Production Evidence”, if quantity is based on an attached invoice, weight receipt, or settlement sheet and/or sales evidence • “C”, “Quantity in Excess of Certified Quantity”, if quantity is based on a request for an additional LDP disbursement on a quantity in excess of previously submitted request (CCC-633 EZ, page 4) for a certified quantity after delivery of the wool or mohair when beneficial interest is lost. Acceptable documentation in the form of a net weight receipt or settlement sheet from the sale or delivery of the wool and mohair must be provided to support the additional quantity in excess of the certified quantity.
68	Enter: • State, if necessary, and county where the quantity in item 66 is stored • location within the same county where the commodity is stored. Example: Barn/shed location, legal description, and/or land description, enter the warehouse name if commodity is warehouse-stored or stored by a commissioned agent. A separate LDP request must be completed for quantities stored in a different county.
69	Enter date of this request or the date beneficial interest was lost. If a request has multiple dates, such as sale, delivery, or slaughter, and production evidence or schedule/ledger is provided that shows when beneficial interest is lost, then this item can be left blank.
70	For FSA use only. Enter LDP rate in effect as it determines when beneficial interest was lost or when an acceptable application is submitted.

1007 Completing CCC-633 EZ's (Continued)

D Page 4 (Continued)

Item	Instructions
Part O – Complete for Unshorn Lamb Pelts	
71	For FSA use only. Enter processing system-assigned LDP number.
72	Enter number of unshorn pelts for the LDP request.
73	Check (✓) 1 of the following boxes that corresponds with the intended use of the unshorn pelts in item 72: • “A”, “Immediate Slaughter”, if quantity is delivered for slaughter within a 10-calendar-day period after delivery • “B”, “Slaughter for Personal Use”, if quantity will be slaughtered for personal use; such as, clothing, shelter, rugs, etc. • “C”, “Preserved and Stored”, if quantity is being preserved, maintained, and stored for future marketing or processing • “D”, “Sold as Feeders to Lamb Buyer”, if the quantity is being sold as feeder lambs to a feeder lamb buyer the quantity of unshorn pelts is ineligible.
74	Enter: • State, if necessary, and county where the quantity in item 73 is stored • location within the same county where the commodity is stored. Example: Barn/shed location, legal description, and/or land description; enter the warehouse name if commodity is warehouse-stored or stored by a commissioned agent. A separate LDP request must be completed for quantities stored in a different county.

1007 Completing CCC-633 EZ's (Continued)

D Page 4 (Continued)

Item	Instructions
Part O – Complete for Unshorn Lamb Pelts (Continued)	
75	Check (✓) either of the following boxes that corresponds with the source of the number of unshorn pelts in item 72: • “A”, “Certified”, if quantity is based on producer certification. • “B”, “Production Evidence”, if quantity is based on an attached invoice or settlement sheet. Note: The number of pelts can be certified if the unshorn lambs were slaughtered for personal use. All other quantities can be certified or based on production evidence.
76	Enter number of head of unshorn live lambs/sheep in the current herd or lamb flock.
77	Enter date of this request or the date beneficial interest was lost. If a request has multiple dates (such as sale, delivery, or slaughter) and production evidence or schedule/ledger is provided that shows when beneficial interest is lost, this item can be left blank.
78	For FSA use only. Enter LDP rate in effect when beneficial interest was lost or an acceptable application is submitted.
Part P – Producer Certification	
79, 80, and 81	To certify the Request for Wool, Mohair, or Unshorn Pelt LDP, page 4, Part P, the additional producers on this agreement must sign, enter the shares, and date. In item 79B, “Title/Relationship”, the signatory shall enter their relationship authorizing them to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc. Example: Treasurer of Smith Bros., Inc. If “SELF” is written to indicate the producer is signing on behalf of their own self, it is acceptable; however, not necessary. If the applicant is not signing in the representative capacity, leave field 43B blank. If beneficial interest has not been lost, the effective LDP rate will be based upon the time and date a properly completed request for payment is received in the FSA County Office.

1007 Completing CCC-633 EZ's (Continued)

D Page 4 (Continued)

Item	Instructions
Part Q – CCC Approval	
82A	Enter signature of authorized CCC representative.
82B	Enter title of authorized CCC representative.
83	Enter date of CCC representative's approval.
84	FSA office will check (✓) either "Approved" or "Disapproved".
85	If this request is certified, check (✓) "yes" or "no", to answer the question, "Is the quantity for this LDP reasonable?". The quantity can be found in item 66 (wool or mohair) or item 72 (unshorn pelts).
86	Enter any additional information pertinent to the approval or disapproval of this payment request. This item should also be used to record the micron and yield from a core test report if graded wool is selected in item 65. Second party review initials are required .

1007 Completing CCC-633 EZ's (Continued)

E Page 5

CCC-633 EZ, page 5 is a continuation sheet for additional signatures, if required. Complete CCC-633 EZ, page 5 according to the following.

Item	Instructions
Title Block	Under the title, ENTER the page (1, 2, 3, or 4) on the solid line that this page shall be attached.
Part C – Producer Certification	
	If this is a continuation page for CCC-633 EZ, page 1, check (✓) box in front of Part C.
6 and 7	After reading the certification statement on page 1, Part C, the additional producers on this agreement shall sign and date. In item 6B, “Title/Relationship”, enter the relationship authorized for you to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc. Example: Treasurer of Smith Bros., Inc.
Part F, J, and P – Producer Certification (complete as applicable)	
	If this is a continuation page for page 2, 3, or 4, check the box in front of Part F, J, or P, as applicable.
25 through 27, 43 through 45, or 79 through 81	After reading the certification, the producer signs, enters the share percentage of the LDP quantity, and dates. In “Title/Relationship”, the signatory will enter their relationship authorizing them to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc. Example: Treasurer of Smith Bros., Inc. If the applicant is not signing in the representative capacity, leave “Title/Relationship” field blank. If “SELF” is written to indicate the producer is signing on behalf of their own self, it is acceptable; however, not necessary. If beneficial interest has not been lost, the effective LDP rate will be based upon the time and date a properly completed request for payment is received in the FSA County Office.

1007 Completing CCC-633 EZ's (Continued)

F Example of CCC-633 EZ

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

This form is available electronically. CCC-633 EZ (05-21-19)						U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation											
LOAN DEFICIENCY PAYMENT (LDP) AGREEMENT AND REQUEST																	
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: - Title to the commodity - Control of the commodity																	
1. Name and Address of Producer (Include ZIP Code) (Please Print) William Green 510 Hwy 123 Anywhere, St 00001																	
2. Telephone or Cell Number (Include Area Code) 999-555-1212										3. Crop Year 20XX							
4. State(s) and County(s) State, Jones County																	
File this form BEFORE 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 BEFORE the final loan/LDP availability date to receive LDP benefits.																	
PART A - TERMS AND CONDITIONS																	
- 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 LDPs requested on CCC-633 EZ Cotton (Page 3), the LDP rate will be based on the information provided on Page 3. - 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). - 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. - CCC may request copies of contracts and supplemental documentation to determine eligible quantity and when beneficial interest was lost. - 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. - All producers with an interest in the quantity covered by this agreement must sign a CCC-633 EZ Part C, to obtain LDP benefits.																	
PART B - METHODS OF PAYMENT REQUEST (Request must be submitted by final loan/LDP availability date.)																	
- 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. - 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. - Submission of an eLDP shall be a request for payment. The CCC-633 EZ Part E is not required for that specific quantity. - For Cotton Producers Only: 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/storage unit for which the AWP lock-in applies.																	
PART C - PRODUCER SIGNATURE AND CERTIFICATION (For additional signatures, complete CCC-633 EZ Continuation, Part C)																	
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 and 1434, as applicable, if producer(s) misrepresented the eligible quantity and/or commodity covered by this agreement; 8) 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.																	
5A. Producer's Signature (BY) /s/ William Green			5B. Title/Relationship (Individual Signing in a representative capacity)			5C. Date (MM-DD-YYYY) 04-01-20XX			5A. Producer's Signature (BY)			5B. Title/Relationship (Individual Signing in a representative capacity)			5C. Date (MM-DD-YYYY)		
PART D - CCC AGREEMENT (FOR CCC USE ONLY)																	
7. Signature of CCC Representative /s/ John Doe						9. Date (MM-DD-YYYY) 04-01-20XX						10. Additional Information					
8. Title of CCC Representative						11. Name and Address of County FSA Office or LSA or DMA Jones county FSA Office 1521 Main Street Anywhere, ST 00001											
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, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) as amended by the American Taxpayer Relief Act of 2012, and the Agriculture Improvement Act of 2018 (Pub. L. 113-79). The information will be used to determine eligibility for loan deficiency payment 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-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 loan deficiency payment program benefits.																	
Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.																	
In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.																	
Persons with disabilities who require alternative means of communication (e.g., Braille, large print, audiotype, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.																	
To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.nrcr.usda.gov/complaint_form_civil.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-6992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.																	

1007 Completing CCC-633 EZ's (Continued)

F Example of CCC-633 EZ (Continued)

The following is an example CCC-633 EZ, page 2 for farm produced quantities.

CCC-633 EZ (05-21-19)									
PART E - REQUEST FOR LDP									
12. Contact Name and Address of Producer (Include Zip Code) (Please Print) William Green 510 Hwy 123 Anywhere, ST 00001				13. Telephone or Cell Number (Include Area Code) (Optional) 999-555-1212		14. Crop Year 20XX		16. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 34. ☐ YES ☒ NO	
				15. 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 18 through 22 and sign/date below. Indicate in Item 20 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 22. If additional entries are needed, provide data on an additional CCC-633 EZ, Page 2.									
17. LDP No. (CCC Use Only)	18. Commodity Class, Variety, Type	*19 Net Quantity Requested and Unit of Measure (bu., tons, cwt., lbs., etc.)	20. Source of Quantity (Check one of the following)			21. Stored or Delivery Location, if applicable (State, County, Warehouse, or Bin Site)	22. Effective Date of LDP Rate (MM-DD-YYYY)		23. LDP Rate (CCC Use Only)
			A. Certified	*B. Measure- ment Service	C. Production Evidence	Examples: Warehouse-Stored: Ohio, Athens Co., ABC Warehouse Farm-Stored: Texas, Webb Co., 30' Butler Bin, North of House	A. Date of LDP Request or Date Beneficial Interest Was Lost	B. Check to Request Date of Delivery	
	Rice-Rough-Long	10,000 cwt	☒	☐	☐	NW 1/4 sec. 10 Jones Co. Nrth 36' Bin	08-29-20XX	☐	.10
			☐	☐	☐			☐	
			☐	☐	☐			☐	
			☐	☐	☐			☐	
* 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 19, a specific quantity or "ALL" for this LDP application to be valid.									
PART F - PRODUCER CERTIFICATION (For additional signatures, complete CCC-633 EZ Continuation, Part F)									
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.									
24A. Producer's Signature (By)	24B. Title/Relationship (Individual Signing in a Representative Capacity)	25. Share %	26. Date (MM-DD-YYYY)	27A. Producer's Signature (By)	27B. Title/Relationship (Individual Signing in a Representative Capacity)	28. Share %	29. Date (MM-DD-YYYY)		
/s/ William Green		100%	08-29-20XX						
PART G - CCC APPROVAL (FOR CCC USE ONLY)									
30. Signature of CCC Representative	31. Title of CCC Representative	32. Date (MM-DD-YYYY)	33. Action:	34. Additional Information/Second Party Review					
/s/ John Doe	CED	08-29-20XX	☒ APPROVED ☐ DISAPPROVED						

Page 2

1007 Completing CCC-633 EZ's (Continued)

F Example of CCC-633 EZ (Continued)

The following is an example of CCC-633 EZ, page 3.

CCC-633 EZ (05-21-19)							
PART H - REQUEST FOR COTTON LDP							
35. Contact Name and Address of Producer (Include Zip Code) (Please Print) William Green 50 Hwy 123 Anywhere, ST 00001				36. Telephone or Cell Number (Include Area Code) (Optional) 999-555-1212	37. Farm Number 66	38. Crop Year 20XX	39. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 56. ☐ YES ☒ NO
40. Producer Initials to verify LDP type and bale quantity	Type of LDP Requested	Must be Requested	Must have Beneficial Interest at Time of LDP Application?	The LDP Rate will be the rate in effect on the:	41. Quantity: (Use Part K for file sequence number(s))		
	Irrevocable Module Lock-In	After Harvest, Before Ginning	YES	Date an Accurately Completed Request is Submitted ▶	Identified by gin as being produced from the module(s) listed in Part I and identified by bale list or file sequence number(s).		
Whg	Gin-Direct	Before Date of Ginning	YES	Date of Ginning ▶	GIN DIRECT ONLY: For each farm number producer enters number of bales or "ALL" to be identified by bale list or file sequence number.		
					A. FARM NO.	B. NO. BALES	A. FARM NO.
					666	315	
	Irrevocable Post-Ginning	After Ginning	YES	Later of: 1) date of request or 2) date bale list submitted ▶	C. Producer enters bale quantity (to be verified by bale list or file sequence number): N/A		
	Lost Beneficial Interest	After Ginning	NO	Date Beneficial Interest Lost ▶	D. Producer enters bale quantity (to be verified by bale list or file sequence number): N/A		
PART I - MODULE IDENTIFICATION OF SEED COTTON (Completed for Module Lock-In LDP Request)							
42. Gin Code:				43. Module Location at Farm or Gin:			
44. Gin's Module/Trailer Number:							
PART J - PRODUCER CERTIFICATION (For additional signatures, complete CCC-633 EZ Continuation, Part J)							
I certify all information entered on this form is true and correct.							
45A. Producer's Signature (By)	45B. Title/Relationship (Individual Signing in a Representative Capacity)	46. Share %	47. Date (MM-DD-YYYY)	48A. Producer's Signature (By)	48B. Title/Relationship (Individual Signing in a Representative Capacity)	49. Share %	50. Date (MM-DD-YYYY)
/s/ William Green	Self	100%	11-15-20XX				
PART K - INFORMATION FOR LDP REQUEST (Complete Upon Receipt of Bale Data Files) (FOR CCC USE ONLY)							
51. LDP Number	52. File Sequence Number(s)	53. Date File(s) Received (MM-DD-YYYY)		54. Bale Count			
11456	0234	11-20-20XX		315			
PART L - CCC APPROVAL (FOR CCC USE ONLY)							
55A. Signature of CCC Representative	55B. Title of CCC Representative	56. Date Request Submitted (MM-DD-YYYY)	57. Name and Address of FSA County Office or LSA		58. Additional Information/Second Party Review		
/s/ John Doe	CED	11-20-20XX	Jones Co FSA Office 1521 Main Street Anywhere, ST 00001				
59. Action:	60. Date of Signature by CCC Representative (MM-DD-YYYY)	61. AWP on Applicable Date					
☒ APPROVED ☐ DISAPPROVED	11-21-20XX	96.69					

Page 3

1007 Completing CCC-633 EZ's (Continued)

F Example of CCC-633 EZ (Continued)

The following is an example of CCC-633 EZ, page 4.

CCC-633 EZ (05-21-19)											
PART M - REQUEST FOR WOOL, MOHAIR, OR UNSHORN PELT LDP					63. Telephone or Cell Number (Include Area Code)		64. Crop Year		65. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 93.		
62. Contact Name and Address of Producer (Include Zip Code) (Please Print)					999-555-1212		20XX		☐ YES ☒ NO		
William Green 510 Hwy 123 Anwhere, ST 00001					66. State and County where Farm Records are Maintained						
					State, Jones Co.						
A completed CCC-633 EZ (Page 1) must be on file for the crop year identified in Item 64 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 68 through 73 for wool and mohair or Items 76 through 81 for unshorn lamb pelts and sign/date below. Indicate the source of quantity in Items 71 or 79 if this is a certified LDP, indicate for wool or mohair only if the quantity is in excess of the certified quantity, or indicate if production evidence is attached, as applicable. When beneficial interest has been lost, indicate date of sale, delivery, slaughter, etc., as applicable, as the effective date of LDP rate in Items 74 or 82. If additional entries are needed, provide data on an additional CCC-633 EZ, Page 4.											
PART N - COMPLETED FOR WOOL OR MOHAIR											
67. LDP No. (CCC Use Only)	68. Commodity	69. Type	70. Net Quantity (lbs.)	71. Source of Quantity (Check one of the following)			72. Stored Location (State, County, Warehouse, Farm Storage Location)	73. Effective Date of LDP Rate (Date of Request or Date Beneficial Interest was Lost) (MM-DD-YYYY)	74. LDP Rate (CCC Use Only)		
				A. Certified	B. Production Evidence	C. Qty. in Excess of Certified Qty.					
99055	Mohair	☐	100	☒	☐	☐	Barn Number 2	09-13-20XX	\$0.05		
	Wool	☒ Graded ☐ Ungraded ☐		☐	☐	☐					
99056	Mohair	☐	50	☐	☒	☐	Barn Number 2	09-13-20XX	\$0.05		
	Wool	☒ Graded ☐ Ungraded ☐		☐	☐	☐					
	Mohair	☐		☐	☐	☐					
	Wool	☐ Graded ☐ Ungraded ☐		☐	☐	☐					
	Mohair	☐		☐	☐	☐					
	Wool	☐ Graded ☐ Ungraded ☐		☐	☐	☐					
PART O - COMPLETED FOR UNSHORN LAMB PELTS											
75. LDP No. (CCC Use Only)	76. Number of Unshorn Lamb Pelts Requested	77. Use				78. Stored Location (If applicable) (State, County, Warehouse, Farm Storage Location)	79. Source of Quantity (Check one of the following)		80. Current Herd/Flock Size	81. Effective Date of LDP Rate (Date of Request or Date Beneficial Interest was Lost) (MM-DD-YYYY)	82. LDP Rate (CCC Use Only)
		A. Immediate Slaughter	B. Slaughter for Personal Use	C. Preserved and Stored	D. Sold as Feeders to Lamb Buyer		A. Certified	B. Production Evidence			
		☐	☐	☐	☐		☐	☐			
		☐	☐	☐	☐		☐	☐			
		☐	☐	☐	☐		☐	☐			
PART P - PRODUCER CERTIFICATION (For additional signatures, complete CCC-633 EZ Continuation, Part P)											
I certify all information entered on this form is true and correct and that the commodity was owned/retained for at least 30 days before the date of shearing or slaughter for unshorn lambs. By completing Part N for wool and mohair or Part O for unshorn lamb pelts and signing and dating this form, I hereby make a request for a payment from 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.											
83A. Producer's Signature (By)		83B. Title/Relationship (Individual Signing in a Representative Capacity)		84. Share %	85. Date (MM-DD-YYYY)	86A. Producer's Signature (By)		86B. Title/Relationship (Individual Signing in a Representative Capacity)		87. Share %	88. Date (MM-DD-YYYY)
/s/ William Green		Self		100%	10-24-20XX						
PART Q - CCC APPROVAL (FOR CCC USE ONLY)											
89A. Signature of CCC Representative		89B. Title of CCC Representative		90. Date (MM-DD-YYYY)		91. Action:		92. Is the quantity for this LDP reasonable?		93. Additional Information/Second Party Review	
/s/ John Doe		CBD		10-14-20XX		☒ APPROVED ☐ DISAPPROVED		☒ YES ☐ NO			

1007 Completing CCC-633 EZ's (Continued)

F Example of CCC-633 EZ (Continued)

The following is an example of CCC-633 EZ, page 5.

CCC-633 EZ Continuation (05-21-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation					
CONTINUATION SHEET FOR LOAN DEFICIENCY (LDP) PAYMENT AGREEMENT AND REQUEST (Use with CCC-633 EZ Pages 1, 2, 3, or 4)							
Attach to Form CCC-633 EZ, Page No: _____							
Enter a Check by the Appropriate Part to Indicate which Section this Form Applies.							
☐ PART C - PRODUCER CERTIFICATION (CCC-633 EZ Page 1) (Continuation)							
5A. Producer's Signature (By)	5B. Title/Relationship (Individual Signing in a representative capacity)	5C. Date (MM-DD-YYYY)	5A. Producer's Signature (By)	5B. Title/Relationship (Individual Signing in a representative capacity)	5C. Date (MM-DD-YYYY)		
☐ PART F - PRODUCER CERTIFICATION (CCC-633 EZ Page 2) (Continuation for LDP Request)							
24A. Producer's Signature (By)	24B. Title/Relationship (Individual Signing in a representative capacity)	25. Share %	26. Date (MM-DD-YYYY)	24A. Producer's Signature (By)	24B. Title/Relationship (Individual Signing in a representative capacity)	25. Share %	26. Date (MM-DD-YYYY)
☐ PART J - PRODUCER CERTIFICATION (CCC-633 EZ Page 3) (Continuation for Cotton LDP Request)							
45A. Producer's Signature (By)	45B. Title/Relationship (Individual Signing in a representative capacity)	46. Share %	47. Date (MM-DD-YYYY)	45A. Producer's Signature (By)	45B. Title/Relationship (Individual Signing in a representative capacity)	46. Share %	47. Date (MM-DD-YYYY)
☐ PART P - PRODUCER CERTIFICATION (CCC-633 EZ Page 4) (Continuation for Wool, Mohair, or Unshorn Pelt LDP Request)							
83A. Producer's Signature (By)	83B. Title/Relationship (Individual Signing in a representative capacity)	84. Share %	85. Date (MM-DD-YYYY)	83A. Producer's Signature (By)	83B. Title/Relationship (Individual Signing in a representative capacity)	84. Share %	85. Date (MM-DD-YYYY)

Page 5

1008 Completing CCC-633 EZ for Measured Quantities**A Measurement Service Request**

When CCC-633 EZ is submitted and measurement service is requested to determine LDP measured quantity, producers must:

- file FSA-409 according to 2-CP
- file CCC-677-1 according to Exhibit 15
- complete CCC-633 EZ according to this paragraph
- indicate a quantity in CCC-633 EZ, page 2, item 20 B.

Note: This can be a specific amount or “**All**”, not to exceed the measured quantity. This item **cannot** be left blank.

See paragraph 525 for additional information on measurement service. County Offices must use LDP rate in effect on the date CCC-633 EZ, page 2, 3, or 4 is submitted.

When measurement service has been completed, County Offices must:

- obtain producer verification of measurements on CCC-6771-1, item 31 according to paragraph 525
- producer must initial, date, and check (✓) CCC-677-1, item 32 if the measure quantity is to be used for production evidence
- issue LDP for the requested quantity, **not** to exceed measured quantity
- notify the producer that if a subsequent LDP or nonrecourse loan is requested on a remaining quantity previously measured, the new request will be processed as a certified application (loan or LDP) up to the final loan availability date if all eligibility requirements have been met.

Note: These requests may be subject to spot checks.

LDP's for a specific quantity **must** be requested **before** the final loan availability date.

1008 Completing CCC-633 EZ for Measured Quantities (Continued)

B Entire Measured Quantity Used for LDP

Follow this table when measurement service is completed, and the producer wants to use the **entire** measured quantity for LDP.

Step	Action
1	Use LDP rate in effect on the date CCC-633 EZ, page 2 is requested.
2	Issue LDP for the entire measured quantity when CCC-633 EZ, page 2 is approved for CCC. Note: On CCC-633 EZ, item 20, producers must have entered "All".
3	Attach a copy of FSA-409 to CCC-633 EZ and CCC-677-1.

Producers who request to use **only** a specific quantity **must** request LDP's for the specific quantity **not** to exceed the measured quantity.

Note: Producer must indicate on CCC-677-1, items 31 and 32 if they agree with the measurements and wish to use the measure quantity for production evidence.

C Less Than Entire Measured Quantity Used for LDP

Follow this table when measurement service is completed, and the producer wants to use a **specific quantity** for LDP requests.

Step	Action
1	Use applicable LDP rate in effect on the date CCC-633 EZ, page 2 is requested.
2	Issue LDP for the requested quantity on CCC-633 EZ, item 20B not to exceed the original measured quantity when CCC-633 EZ, page 2 is approved for CCC.
3	If the producer obtains multiple LDP's or loans on the remaining quantity, not to exceed the measured quantity, inform the producer that spot checks may be performed by the County Office until all of the measured quantity has been issued for LDP or loan. Note: The measured quantity can be used for future LDP's for up to 30 calendar days according to subparagraph 525 A as long as the producer still has the commodity in storage.
4	Cross-reference all LDP and loan requests with the initial LDP or loan made on the measured quantity. Verify that the total of all LDP's and loans do not exceed measured quantity.

1009 Notification of Denied LDP Benefits

A Denied LDP Notification

When the producer is denied LDP benefits, County Offices must:

- immediately notify the producer in writing
- use the applicable letter in Exhibit 5, subparagraph K or L about denial of loan or LDP benefits and include the following:
 - reason for denying LDP
 - appeal rights according to 1-APP.

Notes: Rewrite the letter to reflect the reason for LDP denial, as applicable.

See Exhibit 5, subparagraph A, “Miscellaneous Notification Letters for Loans and LDP’s”.

For crop years 2014 through 2018, LDP’s requested and denied because of AGI and/or payment limitations are eligible for nonrecourse loans, if all other eligibility requirements are met.

1010-1019 (Reserved)

Section 2 Commodities Harvested as Other Than Grain**1020 Eligibility for LDP****A Eligible Commodities Harvested as Other Than Grain**

Eligible commodities include barley, canola, chickpeas (small and large), corn, crambe, dry peas, flaxseed, grain sorghum, lentils, mustard seed, oats, rapeseed, rice, safflower, sesame seed, soybeans, sunflower seed, or wheat that meet the definitions included in official U.S. Standards for Grain.

B Eligible Commodities

Eligible commodities harvested as other than grain are any loan commodities produced on a farm that are:

- harvested as:
 - cobbage
 - cracked, rolled, or crimped
 - earlage
 - ground corn
 - hay
 - silage
- mutilated, mixed, or ground with other parts of the plant that produced the commodity
- processed immediately upon harvest or later processed, as applicable
- roasted
- stored in an unmeasurable structure.

Note: Hay, silage, and roasted commodities are **not** eligible for MAL.

Commodities **must** be mechanically harvested. Grazing is **not** considered harvested and is **not** eligible for LDP. See Part 11 for Graze-Out payments.

1020 Eligibility for LDP (Continued)

C Requests

LDP's must be requested on CCC-633 EZ, page 2, **after** page 1 has been submitted.

D Maximum Eligible Quantities

To process LDP's on commodities harvested as other than grain, determine the maximum eligible production according to paragraph 336.

LDP requests may be certified to establish the LDP rate and should be certified in tons or acres, as applicable.

When the bu. or cwt. is determined, according to paragraph 336, the LDP request can be approved, and payment made.

E LDP Rate

Use the LDP rate applicable to the date of:

- request
- delivery
- harvest for commodities fed during harvest
- loss of beneficial interest, **only** if CCC-633 EZ, page 1, was filed timely.

Note: For commodities harvested as other than grain only, the LDP rate is based on the county loan rate.

1021-1029 (Reserved)

Section 3 Low Quality Commodities

1030 Eligibility for LDP

A Eligible Low Quality Commodities

Commodities with test weight and quality factors falling to the additional schedule of discounts in the applicable 2-LP are considered “low quality” and are eligible for LDP.

Note: Wheat that is on the additional schedule of discounts because of falling numbers **only**, and all other grading and quality factors are not on the additional schedule, does **not** qualify as low quality wheat. See information on falling number discounts for wheat in 2-LP Grains and Oilseeds.

B LDP Request

Request LDP's on CCC-633 EZ, page 2, 3, or 4, as applicable, **after** page 1 has been submitted.

C LDP Rate

Use the LDP rate applicable to the date of:

- request for LDP
- delivery
- feeding for commodities fed during harvest
- loss of beneficial interest, **only** if CCC-633 EZ, page 1 was filed timely.

The following table illustrates how the LDP rate for a low quality commodity is computed for two CCC-determined values.

Determining Low Quality Commodity LDP Rate			
Line	Description	Example 1	Example 2
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	Loan Rate for Low Quality Commodities: 20 Percent of Loan Rate, according to subparagraph 520 F (.20 x Line 1)	\$1.20	\$1.20
3	CCC-Determined Value of Commodity	\$0.80	\$3.07
4	LDP Rate for Low Quality Commodities (Line 2 – Line 3)	\$0.40	\$0.00

1030 Eligibility for LDP (Continued)

D Production Evidence

Production evidence is **required** according to Part 3, Section 3 when producers are selected for spot check.

1031-1039 (Reserved)

Section 4 Contaminated Commodities

1040 Eligibility for LDP**A Eligible Contaminated Commodities**

Contaminated commodities are commodities that contain any of the following:

- mercurial compounds
- toxin producing molds, such as aflatoxin
- other substances poisonous to humans or animals
- any contamination in food commodities.

Illegally contaminated and nonmarketable commodities that test positive for a contaminant are **not** eligible for loan or LDP.

B Eligible Commodities

Contaminated commodities are eligible for:

- nonrecourse loans, but only at 10 percent of the loan rate, according to Part 5, Section 2
- recourse loan at full loan rate, according to subparagraph 520 E.

Any contaminated commodity must be merchantable to be eligible. Any commodity eligible for nonrecourse loan is eligible for LDP under this section.

Contaminant testing is **not** required for LDP.

C LDP Request

Request LDP's on CCC-633 EZ, page 2, 3, or 4, as applicable, **after** page 1 has been submitted.

1040 Eligibility for LDP (Continued)**D LDP Rate**

Use the LDP rate applicable to the date of:

- request for LDP's
- delivery
- harvest for commodities immediately fed during harvest
- loss of beneficial interest, **only** if CCC-633 EZ, page 1 was filed timely.

The following table illustrates how the LDP rate for a contaminated commodity is computed for two CCC-determined values.

Determining Contaminated Commodity LDP Rate			
Line	Description	Example 1	Example 2
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	Loan Rate for Contaminated Commodities: 10 Percent of Loan Rate, according to subparagraph 520 E (.10 x Line 1)	\$0.60	\$0.60
3	CCC-Determined Value of Commodity	\$0.40	\$3.07
4	LDP Rate for Contaminated Commodities (Line 2 – Line 3)	\$0.20	\$0.00

E Production Evidence

Production evidence is **required** according to Part 3, Section 3 when producers are selected for spot check.

1041-1049 (Reserved)

**Section 5 Commodities Exceeding Maximum STC and 2-LP Standards
for Moisture Commodities**

1050 HM Corn and Grain Sorghum and Excess Moisture Commodities for LDP

A Availability

LDP's are available to eligible producers who harvest:

- HM corn or grain sorghum
- excess moisture commodities according to subparagraph 225 F.

LDP's are **not** available for commodities exceeding the maximum moisture level determined by STC.

Note: Moisture levels must be reviewed by STC on an annual basis.

1050 HM Corn and Grain Sorghum and Excess Moisture Commodities for LDP (Continued)**B Requesting HM Corn and Grain Sorghum or Excess Moisture Commodities for LDP's**

LDP's may be requested on HM corn and grain sorghum or excess moisture commodities:

- in farm storage
- delivered immediately at harvest
- harvested as commodities and immediately fed during harvest.

Requests for farm-stored HM corn and grain sorghum or excess moisture commodities:

- must be physically in existence at the time of the LDP request
- that will be used for feed must be supported by acceptable production evidence determined as maximum eligible quantity when selected for spot check.

This table illustrates when nonrecourse and recourse loan provisions are applicable because of moisture levels **only**.

IF the moisture level...	AND commodity...	AND is for...	THEN the commodity is eligible for...
exceeds the maximum STC-established moisture levels		all harvested loan commodities	recourse loan, but ineligible for LDP.
exceeds the 2-LP standard	does not exceed the maximum STC-established moisture levels	corn or grain sorghum	recourse HM loan.
		all harvested loan commodities, including corn and grain sorghum	excess moisture nonrecourse loan and LDP.
is at or below the 2-LP standard		all harvested loan commodities	nonrecourse loan and LDP.

**1050 HM Corn and Grain Sorghum and Excess Moisture Commodities for LDP
(Continued)**

C Determining Quantity

The quantity will be 100 percent of:

- certified quantity adjusted for moisture
- adjusted measured quantity, if stored in a structure that can be measured
- adjusted net quantity, if LDP is requested with production evidence that has not been adjusted for moisture
- quantity determined according to paragraph 336, for quantity stored in unmeasurable structures.

D Setting Moisture Levels

STC's must set moisture levels according to paragraph 225.

**1050 HM Corn and Grain Sorghum and Excess Moisture Commodities for LDP
(Continued)**

E Moisture Adjustment

Moisture adjustments are required when the:

- LDP is:
 - certified and the producer certified to HM level
 - based on measured quantities
 - certified and the producer provides production evidence showing moisture levels and the net quantity have not been adjusted for moisture
- moisture level is:
 - greater than the maximum eligible level for the commodity
 - equal to or less than the moisture set by STC, but higher than the standard moisture levels according to 2-LP Grains and Oilseeds.

**1050 HM Corn and Grain Sorghum and Excess Moisture Commodities for LDP
(Continued)**

F Adjusting Quantity for Moisture

The quantity determined by:

- certification must be adjusted for moisture:
 - by using the average factor when moisture percent is not available according to subparagraph G
 - to the maximum eligible level for the commodity when moisture percent is available according to Exhibit 10
- measurement must be adjusted for moisture:
 - determined at time of measurement
 - according to Exhibit 10
 - to the maximum eligible level for the commodity
- production evidence must be adjusted for moisture if:
 - moisture levels are indicated
 - the net quantity has not been adjusted, as applicable.

**1050 HM Corn and Grain Sorghum and Excess Moisture Commodities for LDP
(Continued)****G Using Average Factor When Moisture Percent Is Not Available**

The certified quantity must be adjusted for moisture using an average factor, applicable to the HM corn and grain sorghum or excess moisture commodities, when a moisture percent is not available.

The average factor is determined using 27.0 percent as the average moisture for the HM corn and grain sorghum or excess moisture commodity.

Example: The average factor for corn is determined by subtracting the corn moisture of 15.5 percent from 27.0 percent and multiplying the difference times 1.3 percent. This calculates to an average factor for corn of 15.0 percent.

Calculate the shrink reduction to determine the adjusted LDP quantity as follows:

Quantity certified for LDP is 9,586 bu. of corn.

- Multiply 15.0 percent times 9,586 bu. to equal 1,438 bu.
- Subtract 1,438 from 9,586 to equal 8,148 bu.
- The quantity eligible for loan or LDP is 8,148 bu.

H Production Evidence

Producers are required to submit production evidence only if LDP's are selected for spot check.

Adjustment to moisture should be completed **only** when net quantities have not been adjusted for moisture or production evidence is a measurement.

See Part 3, Section 3 for additional information for production evidence.

1051-1099 (Reserved)

Part 11 Graze-Out Payments**1100 General Provisions****A Definition of Graze-Out Payments**

[7 CFR 1421.300] Graze-Out payments are payments made to eligible producers who although eligible to obtain a loan:

- elect to use acreage planted with barley, oats, triticale, or wheat for livestock grazing

Notes: Volunteer acreage is **not** eligible for Graze-Out.

Wheat, oats, barley, and triticale must have been planted, certified, and would have been harvested if the commodity went to a grain stage.

- agree to forgo any other harvesting of the commodity on this acreage during the applicable crop year.

B Definition of Triticale

Triticale is grain that consists of 50 percent or more of whole triticale (X Triticosecale Wittmack) and **not** more than 10 percent of other grains for which standards have been established under the United States Grain Standard Act.

C Prohibiting Crop Insurance Indemnity or NAP

Producers who elect to graze barley, oats, triticale, or wheat will **not** be eligible for an indemnity for the same acres under the Federal Crop Insurance Act or NAP.

FSA provides RMA with a list of producers receiving a Graze-Out payment. RMA and FSA reconcile possible duplicate payments down to the specific tract and field number. Producers receiving duplicate payments on the same acres are required to refund one of the payments.

1101 General Information

A Eligibility Requirements

Graze-Out payments are subject to the same basic eligibility requirements as LDP's including, but not limited to the following requirements and forms:

- member contribution provisions according to 6-PL

Notes: CCC-902 and CCC-901, if applicable, **must** be submitted and current for the crop year of the Graze-Out payment with a COC determination made and the subsidiary files updated according to 3-PL and 6-PL for all producers and entity members for the member contribution provisions.

If this determination has **not** been made and the subsidiary files updated, a Graze-Out payment may be denied or reduced for the producer or payment entity when entered into the Interim Attribution Process according to subparagraph 1104 D and PS directives.

- acreage report showing a share in the eligible crop on which Graze-Out payment is requested with all cropland on that farm reported and verified using the Farms With Unreported Cropland Report in CARS

Note: The intended or actual use of the fields on which the Graze-Out payment is requested **must** be "grazing".

- AD-1026 completed and in compliance according to 6-CP for producer and all affiliated persons in a legal entity
- DCIA compliance from producer certification
- compliance with AGI requirements, according to 6-PL and 8-LP, with CCC-941 filed by producer and all interest holders in a legal entity

Notes: IRS will verify the information submitted on CCC-941.

Payment limitations for crop years 2014 through 2018, together with LDP's, market loan gains, PLC and ARC applies to Graze-Out payments. See subparagraph 32 A for additional information.

There is no payment limitation for crop years 2019 through 2023.

1101 General Information**A Eligibility Requirements (Continued)**

- compliance with fraud provisions
- compliance with foreign person rules according to 6-PL.

Graze-Out payments are subject to the following:

- offsets
- assignments
- misaction or misinformation
- death, incompetency, disappearance, or dissolution of a producer.

B Application Period

The application period for Graze-Out:

- begins on the first day of mechanical harvest as determined by COC
- ends on **March 31** of the calendar year following the year the crop is normally harvested.

Producers may file an application for Graze-Out anytime during this application period.

Reminder: Applications may **not** be cancelled or withdrawn once requested.

COC must determine and document in COC minutes, the beginning harvest date in the county for barley, oats, triticale, or wheat. This will be the earlier of the normal harvest date for grain or the normal harvest date when harvested as other than grain.

1102 Specific Graze-Out Eligibility Requirements

A Eligible Producer

An eligible producer for Graze-Out purposes must meet the producer eligibility requirements according to paragraph 200 and all of the following:

- requests Graze-Out payments on CCC-633 GRAZING before March 31 of the calendar year following the year the crop is normally harvested
- agrees to forgo any other harvesting of the commodity on the acreage
- retains beneficial interest through the date the crop is grazed-out.

1102 Specific Graze-Out Eligibility Requirements (Continued)**B Eligible Acres**

Eligible acreage for Graze-Out purposes is any certified acreage of barley, oats, triticale, or wheat that is **not** harvested by any means other than grazing. The certified acreage **must** be classified as “cropland” in FSA farm records.

The acreage must:

- be classified as “cropland” in FSA farm records
- have been planted, reported, and certified on FSA-578 with the intended use for “grazing,” and would have been harvested if it went to the grain stage.

If the intended use was not “grazing” when the FSA-578 was initially completed, the actual use must be entered as “grazing” according to 2-CP.

The requested crop acreage is **not** eligible for:

- any other MAL’s or LDP’s
- crop insurance indemnity
- NAP, or supplemental revenue assistance payments.

Notes: FSA provides RMA a list of producers receiving Graze-Out payments.

Producers who elect to graze barley, oats, triticale, or wheat will **not** be eligible for an indemnity for the same acres under the Federal Crop Insurance Act or NAP.

Follow 2-CP for approval of double-cropping acreage, as applicable.

1102 Specific Graze-Out Eligibility Requirements (Continued)**C Grazing Leases and Eligibility**

Producers who lease cropland to a second party for grazing on the acreage or on a per head per month basis are:

- **not** considered to have lost beneficial interest
- eligible for Graze-Out payments on the eligible commodity if all other eligibility requirements are met.

Producers are **not** eligible for Graze-Out payments regardless of when beneficial interest is lost if **any** of the following occur:

- grazing occurred on nurse crops that would **not** have met the definition of the crop, if harvested as grain
- beneficial interest is lost and later regained
- the cropland is subleased to a third party, by lessee, for grazing on a flat per acre rate
- no grazing occurred
- mechanical harvest occurred.

Owners allowing subleases on the cropland are **not** eligible for Graze-Out payments.

1103 Filing CCC-633 GRAZING's**A Requesting Graze-Out Payments**

Producers must request Graze-Out payments by farm number on CCC-633 GRAZING. A separate application must be completed for each farm and each commodity.

Any producer or producers who share in the acreage grazing can request benefits on CCC-633 GRAZING.

If multiple producers share in the acreage:

- all signatures must be obtained on CCC-633 GRAZING **before** the request is considered complete
- the shares must equal 100 percent.

See paragraph 1105 for instructions on completing CCC-633 GRAZING.

An eligible producer(s) can submit CCC-633 GRAZING to the FSA administrative County Office for the farm using any of the following methods:

- in person
- by mail
- by telephone
- by FAX
- through eForms.

Graze-Out payments are controlled by eFunds. Funding **must** be requested through the State Office **and** allocated to the county **before** CCC-633 GRAZING can be processed. See subparagraph 1104 C.

Note: Processing includes entering the Graze-Out request in the eLDP software.

1103 Filing CCC-633 GRAZING's (Continued)**A Requesting Graze-Out Payments (Continued)**

All CCC-633 GRAZING's, including CCC-633 GRAZING applications requested by mail, telephone, FAX, or downloaded from the Internet, **must** be completed correctly, signed, and returned to the FSA administrative County Office on or before March 31 of the calendar year following the year the crop is normally harvested.

Eligible producers **must** request CCC-633 GRAZING:

- after the date COC determines barley, oats, triticale, or wheat is normally mechanically harvested for the crop year, according to subparagraph 1101 B
- no later than March 31 of the calendar year following the year the crop is normally harvested.

All eligibility determinations for **all** producers or entities on a Graze-Out application **must** be submitted to the applicable County Office by the final availability date for the applicable crop year.

B Producer Certification

Eligible producers must file CCC-633 GRAZING for acres grazed or to be grazed. In addition, acreage and intended use for each field on which a Graze-Out payment is requested **must** be certified on FSA-578 as "grazing".

If the intended use was reported as grain, but was grazed, County Offices **must** enter actual use in CARS according to 2-CP.

1104 Payment Rate and Calculations**A Graze-Out Payment Rate**

The Graze-Out payment rate is determined by the amount the applicable commodity loan rate exceeds the CCC-determined value of the commodity for the county where the farm is located.

The effective payment rates, the same as the LDP rate, are posted by State and County Offices at www.fsa.usda.gov/programs-and-services/price-support/ldp-rates/index. Select the “State”, “County”, “Applicable Year”, and CLICK “**Submit**”. The rates will be displayed in the column titled, “Effective LDP Rate”.

Note: The Graze-Out payment rate is **the rate in effect on the day a completed CCC-633 GRAZING is received** in the FSA administrative County Office.

CCC-633 GRAZING is complete when all applicable:

- entries have been completed by the producer according to subparagraph 1105 A
- producer signatures have been obtained.

Note: For triticale, the payment rate is calculated based on the predominant class of wheat in that county.

The following table illustrates how the Graze-Out payment is computed.

Determining Graze-Out Payment Rate		
Line	Description	Rate
1	Loan Rate (County Rate for HRW Wheat)	\$2.75
2	CCC-Determined Value of the Commodity	\$2.56
3	Graze-Out Rate (Line 3 – Line 4)	\$0.19

1104 Payment Rate and Calculations (Continued)**B Applicable Yield**

For Graze-Out, the yields must be determined according to one of the following:

- the payment yield must be the yield in effect for calculating the price loss coverage payment yield with respect to the commodity on the farm according to 7 CFR Part 1412
- for a farm for which agriculture risk coverage is elected, the payment yield that would otherwise be in effect for that loan commodity on the farm in the absence of such election as specified in 7 CFR Part 1412
- in the case of a farm for which no payment yield is established for the loan commodity on the farm, an appropriate yield as determined by COC and documented in the COC minutes.

Note: The option of using 3 similar farms to determine a yield is **not** authorized.

For triticale, the payment yield will be based on the yield of the predominant class of wheat according to the options in this subparagraph.

1104 Payment Rate and Calculations (Continued)**C Payment**

Manually, calculate the Graze-Out payment by multiplying the actual grazed acreage requested for grazing times the applicable yield times the payment rate.

Example: Using the Graze-Out rate from the table in subparagraph A, 45 acres grazed x 50 bu./acre x \$.19 Graze-Out rate = \$427.50 Graze-Out payment.

In computing the payment amount and requesting eFunds, request the amount in dollars and cents. Do **not** round to the closest whole dollar.

After the payment is calculated and reviewed by a second party, County Offices must complete the Excel County Office spreadsheet on the FSA Employees Intranet, listing the county, State, and county code, producer and requested amount, and send to their State Offices. State Offices must transfer all the County Office requested information to the Excel State Office spreadsheet and send to the MAL/LDP team, PSD, at MAL.LDP@usda.gov. Graze-Out eFunds will be allocated down to the county level.

The National Office will allocate Graze-Out eFunds once a week which will include all requests received from State Offices by COB every Wednesday. The applicable State Offices will be notified when eFunds are available for their County Offices.

Note: Processing includes entering the Graze-Out request in the eLDP software.

CCC-633 GRAZING can be processed through the web-based eLDP system only **after** eFunds have been allocated to the county. The National Office program manager will notify the States when the allocated eFunds are available.

Like LDP's, Graze-Out payments are not automatically restricted by payment limitation, AGI, or producer eligibility records. County Offices are responsible for ensuring that producers are eligible for payment before certifying and signing Graze-Out disbursements using the Interim Attribution Process.

1104 Payment Rate and Calculations (Continued)**D Interim Attribution Process to Check Eligibility and Control Payment Limitation**

After the payments have been processed in the eLDP software, County Offices must access the Interim Attribution Process to determine eligibility and record the Graze-Out payment.

The instructions for processing Graze-Out payments using the Interim Attribution Process are the same as the for LDP's and are located in Part 5 of the Interim Attribution Process User Guide, Version 4.0 (Interim Process). County Offices must follow the table in subpart 5A of the Interim Process when processing a Graze-Out payment.

Instructions for the Interim Process are also included in 15-PS, Part 7 beginning in paragraph 400.

When the Interim Process determines that a Graze-Out Payment is partially unearned, a manual receivable must be established **before** certifying and signing the payment in NPS according to Part 5B of the Interim Process, if both of the following apply:

- the amount listed on the Nonpayment Report is less than the Graze-Out amount sent to NPS
- County Office has verified the producer ineligible reason listed on the Nonpayment Report is valid and the producer is not eligible for the full Graze-Out payment.

If the producer is not eligible for a portion of the Graze-Out payment, the County Office must manually create a new receivable in NRRS using the code "XXEGRAZECOMM". (where "XX" is the fiscal year and "COMM" is the commodity) for the ineligible amount. See additional instructions in 15-PS, paragraph 412.

Example: "17EGRAZEWHT"

1104 Payment Rate and Calculations (Continued)**D Interim Attribution Process to Check Eligibility and Control Payment Limitation (Continued)**

When the payment is certified and signed in NPS, the unearned amount for which the receivable was established will be offset from the payment with the producer receiving only the eligible amount.

County Offices must use the common payment reports to ensure that the Graze-Out entries are entered correctly. Common payment reports are described in 9-CM and the procedure and timeframes listed must be followed. It is very important that these reports are reviewed, as required, and errors corrected to record accurate producer payment information.

When the Interim Process determines that the producer is ineligible for the entire Graze-Out payment before it has been certified and signed in NPS, County Offices must follow the instructions in subpart 5C of the Interim Process and delete the Graze-Out payment.

The Interim User Guide, Version 4.0 is available on the FSA Intranet at <https://inside.fsa.usda.gov/Assets/USDA-FSA-Intranet/intranetfiles/program-areas/dafp/cflp/commodity-loans/mal-ldp/pdf/Interim%20Process%20Version%204.0%20%20041017.pdf>.

1105 CCC-633 GRAZING's**A Completing CCC-633 GRAZING's**

Complete CCC-633 GRAZING's according to the following. CCC-633 GRAZING's must be completed by FSN and crop.

All persons who share in the grazed acreage **must** be included on one CCC-633 GRAZING.

Item	Instructions
Items 1 through 5 are completed by the FSA County Office.	
1	Enter applicable crop year.
2A and 2B	Enter FSN and the application number assigned by eLDP after eFunds have been received and CCC-633 GRAZING has been recorded in eLDP. Note: County Office use only. FSN needed to determine rate.
2C	Enter date received.
3	Enter name and address of the applicable County Office.
4 and 5	Enter applicable State and county code. Note: County Office use only.
Part A, items 6 through 16B are completed by the producer.	
6	Enter producer's name, address, and telephone number. Note: This will be the contact producer if more than 1 producer shares in the grazed acreage.
7	Check the type of commodity grazed.
8	Enter wheat class, as applicable.

1105 CCC-633 GRAZING's (Continued)

A Completing CCC-633 GRAZING's (Continued)

Item	Instructions
9 - 14	Check applicable box in response to each question. Note: The contact producer must initial in item 13. This application is not complete until producer has initialed.
15	Enter actual or estimated grazing period for the farm. Example: August 15, 20XX, through September 15, 20XX.
16 A - B	Enter requested acres that have been or will be grazed along with the corresponding tract and field numbers. Note: The acres, tract and field numbers must be listed in item 16 for each application or a separate list attached to the CCC-633 GRAZING.
Part B, items 17 through 23 are completed by the FSA County Office.	
17	Enter total acreage requested from item 16A. County Offices must ensure that the tract/field location certified on FSA-578 is the same as the tract/field location requested by the producer in item 16B.
18	Enter yield, as applicable. This is the payment yield determined according to subparagraph 1104 B.
19	Enter result of item 17 multiplied times item 18.
20	Enter county where the commodity was grazed if different from the FSA administrative County Office.
21	Enter date the request is completed.
22	Enter payment rate applicable to the date in item 21.
23	Enter result of item 19 multiplied times item 22.
Part C, item 24 is to be completed by the producer.	
24	After reading the certification statement, all producers must sign, provide last 4 digits of ID number, date, and indicate share of the grazed crop, as applicable.
Item 25 is to be completed by the FSA County Office.	
25	COC or designee will approve or disapprove CCC-633 GRAZING, sign, provide title, and date, as applicable. Note: Do not approve if producer is not in compliance. Provide a copy to the producer, as applicable.

1105 CCC-633 GRAZING's (Continued)

B Example of CCC-633 GRAZING

The following is an example of a completed CCC-633 GRAZING.

CCC-633 GRAZING (11-28-22)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		See Page 2 for Privacy Act and Public Burden Statements.						
GRAZE-OUT PAYMENT PROGRAM APPLICATION NOTE: Complete a separate application for each farm and each commodity.		ITEMS 1 THROUGH 5 ARE COMPLETED BY THE FSA OFFICE								
		1. CROP YEAR		2A. FSN		2B. APPLICATION NO.		2C. Date Received		
		3. FSA COUNTY OFFICE NAME AND ADDRESS (Including ZIP Code)								
		4. STATE CODE				5. COUNTY CODE				
PART A ELIGIBILITY (ITEMS 6A THROUGH 16B ARE FILLED OUT BY THE PRODUCER)										
6A. CONTACT PRODUCER'S NAME AND ADDRESS						7. TYPE OF COMMODITY (Please check type of crop below)				
						☐ Wheat ☐ Barley ☐ Oats ☐ Triticale				
6B. TELEPHONE NUMBER (Area Code):						8. CLASS (For Wheat Only)				
Check "YES" or "NO" in the applicable box in Items 9 through 14:										
9. Do you agree to forgo any mechanical harvest on the commodity growing in the tract/field identified in Item 16B?								YES	NO	INITIAL
								☐	☐	
10. Do you understand that the acres requested for payment must actually be grazed?								☐	☐	
11. Do you understand that if you are out of compliance, you may be ineligible for payment?								☐	☐	
12. Do you understand if you do not report all the acres on the farm before the final reporting date, you will be required to refund the GRAZE-OUT payments?								☐	☐	
13. Do you understand if you received either a crop insurance indemnity or NAP payment on the same acres grazed, you must refund the amount received and provide proof of the refund to be eligible for a GRAZE-OUT payment?								☐	☐	
14. Are you or any co-applicant delinquent on any federal non- tax debt? (If "YES", provide details):								☐	☐	
15. GRAZING PERIOD (Actual or Estimate)				16. REQUESTED GRAZED ACRES (Continuation on Page 2)						
				A. Requested Acres		B. Tract/Field Number				
PART B PAYMENT INFORMATION AND CALCULATION (ITEMS 17 THROUGH 23 ARE FILLED OUT BY FSA OFFICE)										
17. Total Actual Grazed Acres	18. Yield (ARC/PLC or ACY)	19. Total Quantity (Item 17 times Item 18)	20. County Where Acres Grazed	21. Request Date (MM-DD-YYYY)	22. Payment Rate per Bushel	23. Payment Amount (Item 19 times Item 22)				
					\$	\$				
PART C PRODUCER'S CERTIFICATION (SHARES MUST EQUAL 100% CONTINUATION ON PAGE 2)										
<i>I certify that all information entered on this application is true and correct and understand that: (1) this payment is in lieu of a loan deficiency payment; (2) all eligibility requirements must be met under the marketing assistance loan program before payment can be made except for beneficial interest, which must be maintained through the grazing period; (3) this payment will be ineligible if I have received or requested a RMA or NAP indemnity payment on the same acreage grazed; and (4) to ensure that all program eligibility requirements are met for this payment, my application may be selected for spot check. If my application is selected for spot check, I may be required to provide supporting documentation to determine payment eligibility. Providing a false certification to the government is punishable by imprisonment, fines, and other penalties. All information provided herein is subject to verification by the Farm Service Agency. The provision of criminal and civil fraud statutes that apply to this certification, includes 18 USC 286, 287, 371, 641, 651, 1001, and 1014; USC 714m; and 31 USC 3729.</i>										
24A. Signature of Producer			24B. Title/Relationship of Individual Signing in a Representative Capacity			24C. Date (MM-DD-YYYY)		24D. Share		
								%		
								%		
FOR FSA OFFICE USE ONLY										
25A. SIGNATURE OF FSA APPROVING OFFICIAL					25C. ACTION: ☐ APPROVED ☐ DISAPPROVED					
25B. TITLE					25D. DATE (MM-DD-YYYY)					

B Example of CCC-633 GRAZING (Continued)

CCC-633 GRAZING (11-28-22)
Page 2 of 2

GRAZE-OUT PAYMENT PROGRAM APPLICATION CONTINUATION

PART A – ELIGIBILITY CONTINUATION	
16. REQUESTED GRAZED ACRES CONTINUATION	
A. Requested Acres	B. Tract/Field Number

PART C – PRODUCER'S CERTIFICATION CONTINUATION			
24A. Signature of Producer	24B. Title/Relationship of Individual Signing in a Representative Capacity	24C. Date (MM-DD-YYYY)	24D. Share
			%
			%
			%

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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR Part 1421. The information will be used to determine producer ability to participate in and receive benefits under the Graze-Out Program through documentation of producer election to request a Graze-Out payment in lieu of receiving a loan deficiency payment. 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 described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination that the producer is unable to participate in and receive benefits under the Graze-Out Program.*

Paperwork Reduction Act (PRA) Statement: *The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.*

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

1106 CCC-770 GRAZING Checklist

A CCC-770 GRAZING

A CCC-770 GRAZING checklist is available to assist County Office employees with the processing of Graze-Out payments. All County Office employees working with Graze-Out, at the beginning of each crop year are required to complete the CCC-770 GRAZING for the first 10 Graze-Out payments they process. SED's may require new employees or employees processing Graze-Out payments for the first time, to complete more than the required number of CCC-770 GRAZING checklists.

CCC-770 GRAZING is available in a fillable format at <https://inside.fsa.usda.gov/>. CLICK “**Employee Forms**” at the top of the page and CLICK “**Find Current Forms Using Our Form Number Search**”. For “Form Number”, Enter “770 Grazing”.

Completion of CCC-770 GRAZING is **required** to be completed for any Graze-Out payment that was disbursed, reversed with a receivable established, and is being re-entered. This is required to ensure that **all** producers and program eligibility requirements are met before the payment reissued.

1106 CCC-770 GRAZING Checklist (Continued)

B Instructions for Completing CCC-770 GRAZING

The following are FSA employee instructions for completing CCC-770 GRAZING.

Item	Instructions
1	Enter name of the producer. This should be the name of the individual, joint operation or entity for which benefits may be requested.
2	Enter date of Graze-Out application.
3	Enter administrative State code.
4	Enter the administrative county code.
5	Enter crop year.
6	Enter Graze-Out application number assigned in eLDP.
7	Enter farm number.
8	Enter commodity/class/type.
Graze-Out Request/Application	
9 A - J	Employee answering question: • must check (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. Note: For CCC-770 GRAZING questions not applicable, CHECK (✓) “N/A” and initial.
Producer/Commodity Eligibility	
10 A – L	Employee answering question: • must check (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. Note: For CCC-770 GRAZING questions not applicable, CHECK (✓) “N/A” and initial.
Graze-Out Processing	
11 A – E	Employee answering question: • must check (✓) appropriate box to designate “Yes”, “No”, or “N/A” • must enter initials in box where indicated. Note: For CCC-770 GRAZING questions not applicable, CHECK (✓) “N/A” and initial.
12	Enter any remarks about any questions included on CCC-770 GRAZING.

1106 CCC-770 GRAZING Checklist (Continued)

B Instructions for Completing CCC-770 GRAZING (Continued)

Item	Instructions
Certification	
13 A and B	At the time of completing the LDP request, all preparers must sign and date.
14 A – C	CED or STC designee must check (✓) appropriate box to designated either “Concur” or “Do Not Concur”, and date. Note: This item will only be completed if the applicable CCC-770 GRAZING is selected for spot check.

1106 CCC-770 GRAZING Checklist (Continued)

C Example of CCC-770 GRAZING

The following is an example of CCC-770 GRAZING.

This form is available electronically.

CCC-770 GRAZING (09-13-17)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. Producer/Applicant Name		2. Date of Application				
GRAZE-OUT PAYMENT PROGRAM PROCESSING CHECKLIST				3. State Code		4. County Code				
				5. Crop Year		6. Application Number				
				7. Farm Number		8. Commodity/Class				
NOTE: Properly completed forms mean completed according to the applicable procedure. This shall include proper signatures, shares, ID numbers, addresses, date stamp, etc.										
9. Graze-Out Request/Application				Handbook or Other Applicable References	YES	NO	N/A	Initials		
A. Is there a properly completed and signed CCC-633 Grazing (dated 07-26-17) on file? Explain "NO" answer: (Note: If "NO", Graze-Out payment shall not be processed.)				8-LP, paragraphs 1103 and 1105						
B. Was the CCC-633 Grazing filed on or before March 31 of the calendar year following the year the crop is normally harvested? Explain "NO" answer: (Note: If "NO", Graze-Out payment shall not be processed.)				8-LP, paragraph 1103						
C. Was the CCC-633 Grazing approved by an individual delegated or re-delegated to approve CCC-633 Grazing's, after all required signatures have been obtained AND before processing?				8-LP, paragraphs 2 and 1007						
D. Was the CCC-633 Grazing completed by farm number?				8-LP, paragraph 1103						
E. Was CCC-633 Grazing completed according to instruction, and signed by all applicable and required producers?				8-LP, paragraphs 1103 and 1105						
F. Do individuals signing in a representative capacity have the documentation on file in the county office allowing them to sign for that individual or entity and request a Graze-Out payment?				8-LP, paragraph 1007						
G. Is CCC-633 Grazing date-stamped and was the date of receipt verified according to procedure?				8-LP, subparagraph 1001E						
H. Did the producer answer the questions 9-14 on the CCC-633 Grazing?				8-LP, subparagraph 1105A						
I. For question 13, did the producer initial the box designated for initials				8-LP, subparagraph 1105A						
J. Has a second party reviewer verified and initialed the applicable CCC-633 Grazing to ensure the applicable Graze-Out payment request was properly completed, ready for approval, and processing?				8-LP, paragraph 234						
10. Producer/Commodity Eligibility				Handbook or Other Applicable References	YES	NO	N/A	Initials		
A. Has the FSA-578 been properly completed and filed showing applicant has a share in the commodity and the intended or actual use is "Grazing"?				8-LP, paragraphs 1101 and 1103; 2-CP, paragraphs 15 and 16						
B. Has all cropland on the farm been reported on FSA-578? If not, does the applicant understand that all cropland on the farm must be reported by the final crop reporting date in the State or all acreage from that farm is ineligible for Graze-Out Payment?				8-LP, paragraph 1101						
C. Has AD-1026 been filed by applicant and all affiliated persons according to 6-CP?				8-LP, paragraph 1101; 6-CP, paragraphs 17, 302 and 601						

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-3339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

1106 CCC-770 GRAZING Checklist (Continued)

C Example of CCC-770 GRAZING (Continued)

CCC-770 GRAZING (09-13-17)		Page 2 of 2			
10. Producer/Commodity Eligibility (Continuation)	Handbook or Other Applicable References	YES	NO	N/A	Initials
D. Has CCC-941 been completed and compliance verified for the applicant and all affiliated persons according to 5-PL?	8-LP, paragraph 1101; 5-PL, paragraphs 3, 291 and 294				
E. Has CCC-902 and CCC-901, if an entity, been completed, and the applicant determined to be actively engaged in farming?	8-LP, paragraph 1101; 5-PL, paragraphs 17, 41 and 44				
F. Does applicant have payment limitation available?	8-LP, paragraph 1101; 5-PL, subparagraph 3, and paragraph 17				
G. Does applicant and all affiliated persons, if applicable, meet the eligibility requirements for controlled substance, delinquent debt, fraud and foreign person?	8-LP, paragraph 1101				
H. Has the applicant requested a MAL, LDP, crop insurance indemnity, or NAP payment on the acreage?	8-LP, paragraph 1102				
I. Does the applicant agree to forgo any other harvesting of the commodity on the acreage? (Explain "NO" answer):	8-LP, paragraph 1102				
J. Will the applicant retain beneficial interest through the date the crop is grazed-out? (Explain "NO" answer):	8-LP, paragraphs 1102				
K. Is payment rate per bushel correct for the request date and county where the farm is administered?	8-LP, paragraph 1104				
L. Is the payment amount on the CCC-633 Grazing calculated correctly?	8-LP, paragraph 1104				
11. Graze-Out Processing	Handbook or Other Applicable References	YES	NO	N/A	Initials
A. Has eFunds been requested through the State Office and allocated to the specific county before processing the CCC-633 Grazing request in the eLDP system?	8-LP, subparagraphs 1103A and 1104C				
B. Has the FSA Financial Services Web Application (FSAFS) been updated to reflect assignments, if applicable?	63-FI, Parts 3 and 4				
C. Has the CCC-633 Grazing been processed in the eLDP software and a screen print of the calculated Graze-Out Payment to be issued completed?	Interim Process User Guide – Version 4.0 Part 5 in the Handbook or Other Applicable Reference column				
D. Prior to certifying and signing the payment in NPS, was the Graze-Out Payment entered into the Interim Process for Loan Deficiency Payments to Check Eligibly and Control Payment Limitation User Guide?	Interim Process User Guide-Version 4.0 and 15-PS (Rev. 2), paragraphs 400 - 412				
Was the producer eligible for the entire Graze-Out payment?					
If not, was the Graze-Out payment reduced or cancelled prior to certifying and signing the payment in NPS according to the instructions in the User Guide?					
E. Does the Submitted Payment Report indicate a reduced payment? (Note: If "YES", the producer is not eligible to receive payment or a portion of the payment-See Part 5A, step 4 of the User Guide.)	Interim Process User Guide-Version 4.0 and 15 PS (Rev. 2) paragraphs 405 - 407				
12. Remarks					
13. Certification:					
I (we) the undersigned certify the above items have been verified or updated accordingly. I also certify that the applicable Graze-Out documents will be filed in accordance with handbook 32-AS and that the producer will receive the applicable Graze-Out documentation according to policies and procedures found in applicable handbooks.					
13A. Signature of Preparer(s)		13B. Date (MM-DD-YYYY)			
14A. I concur/do not concur the above items have been verified or updated accordingly.		☐ Concur		☐ Do Not Concur	
14B. CED Signature / STC Designee signature		14C. Date (MM-DD-YYYY)			

1107-1199 (Reserved)

Part 12 Other Loans**Section 1 Recourse Loans****1200 General Provisions****A Basic Recourse Loan Availability**

Farm-stored or warehouse-stored recourse loans are available to producers who harvest commodities that are ineligible for a nonrecourse loan according to Part 5, Sections 1 through 3.

Note: Contaminated quantities are not considered low quality but may be eligible to be pledged as recourse loan.

Recourse loans may be disbursed to eligible producers for a quantity of a commodity offered as loan collateral for:

- commodities eligible for nonrecourse; however, test weight:
 - does not meet minimum standards
 - falls on 2-LP Grains and Oilseeds Additional Schedule of Discounts
 - indicates sample grade
 - indicates low quality (for farm-stored or warehouse-stored recourse loans), according to Section 1
- commodities exceeding STC-established moisture levels according to Section 1
- HM corn or grain sorghum loans according to Section 2
- cracked, rolled, or crimped corn according to Section 3
- distress loans according to Section 4
- contaminated commodities with test results that demonstrate merchantable levels of toxicity.

Note: See paragraph 1050 for when recourse loans are applicable because of moisture levels.

1200 General Provisions (Continued)**B Applicable Provisions**

Except for provisions in this section and Sections 2 and 4, all loanmaking provisions applicable for nonrecourse loans apply to farm-stored and warehouse stored recourse loans.

Commodities pledged as collateral for a recourse loan are ineligible for LDP or to be repledged for a nonrecourse loan at the full loan rate.

Commodities contaminated with mycotoxins such as fumonisin, aflatoxin, or vomitoxin with test results that demonstrate merchantable levels of toxicity, are eligible to be pledged for a recourse loan at the full loan rate.

C Eligibility for Commodities Exceeding Maximum STC-Established Moisture Levels

All harvested commodities must meet the definition for the applicable commodity, according to the U.S. Standards for Grain or CCC quality requirements, as applicable, requiring 50 percent or more whole kernels and moisture exceeding the maximum STC-established levels.

In **all** cases, harvested commodities **must** be harvested as grain.

1200 General Provisions (Continued)**D Storage Provisions**

A commodity offered for a farm-stored recourse loan **must** be stored in eligible storage according to paragraph 522.

Commodities placed under a distress loan according to Section 4 are **not** stored in eligible storage.

E Maturity Date

The maturity date will be established according to paragraph 509.

F Liquidating Loans

On or before the loan maturity date, recourse loans **must** be repaid at principal and charges plus interest.

Commodities pledged as collateral for recourse loans must **not** be delivered or forfeited to CCC in settlement of the loan at maturity.

If **not** repaid by the maturity date, loan collateral **must** be disposed of under provisions for local sale according to Part 8, Section 3.

CCC will **not** assume **any** losses for the quantity or quality of the commodity for **any** reason.

1201 Loan Rates**A Final Date to Request Loan**

The producer must request the loan by the final availability date for the commodity according to subparagraph 226 C.

B Loan Rate

The loan rate will be, for commodities stored in structures that:

- can be measured, 100 percent of the base county loan rate if the quantity is:
 - measured and the structure may or may not be sealed after being measured
 - certified and the structure will **not** be sealed
- **cannot** be measured, 75 percent of the base county loan rate.

Example: \$2 base county loan rate x 75 percent = \$1.50 applicable loan rate.

Structures that are sealed will be considered structures that “cannot be measured”.

1201 Loan Rates (Continued)**C Moisture Determination**

The moisture determination may be determined by any of the following:

- local warehouse or State inspection facilities at producer's expense
- FSA employee
- producer's certification of moisture when the commodity is in a structure that **cannot** be measured.

Do **not**:

- obtain sample or certification for test weight
- adjust for test weight and pack factors.

D Determining Farm-Stored Loan Quantity

When excess moisture is determined according to subparagraph 528 C, apply the applicable moisture shrink factor, according to Exhibit 10, to the determined loan quantity.

Do **not** apply a discount for excess moisture.

1201 Loan Rates (Continued)**E Loan Quantity Adjusted for Moisture**

The loan quantity will be:

- 100 percent of the certified or measured quantity
- adjusted for the applicable moisture shrink factor, according to Exhibit 10, to reflect the quantity at the 2-LP standard moisture level.

Examples: Grain sorghum is 14.0 percent and corn is 15.5 percent.

Producer certifies to 10,000 bu. of corn for loan at 20 percent moisture.
 20 percent moisture – 15.5 standard moisture = 4.5 percent excess
 moisture

Table in Exhibit 10 A.
 4.5 percent excess moisture factor is 0.9415.
 10,000 bu. x 0.9415 = 9,415 bu. eligible for loan.

F Establishing Repayment Schedule

If commodity will be fed, County Offices must establish a loan repayment schedule with each producer:

- at loan disbursement
- to ensure that the loan is repaid before:
 - the commodity is removed for feed
 - loan maturity.

County Offices must establish a system to periodically monitor the repayment schedule.

1202-1209 (Reserved)

Section 2 Corn and Grain Sorghum HM Recourse Loans**1210 Commodity Recourse Loans****A Availability**

To provide the maximum benefits to producers who normally harvest and store all or a portion of their corn or grain sorghum at moisture levels exceeding 2-LP standards, even if the moisture level is below the maximum STC-established level, producers may obtain a recourse loan for:

- HM corn or grain sorghum stored in structures capable of storing ensilage

Example: Grain stored in Harvestore, pit silo, or oxygen limiting structures.

- an acquired quantity to replace HM corn and grain sorghum according to paragraph 1211.

B Eligibility

HM corn and grain sorghum **must** meet the definition for the applicable commodity according to the U.S. Standards for Grain that, in part, require 50 percent or more whole kernels and a moisture level higher than the 2-LP standard moisture level for HM corn and grain sorghum.

In **all** cases, HM corn and grain sorghum **must** be harvested as grain.

1210 Commodity Recourse Loans (Continued)**C Final Date to Request Loan**

The producer **must** request the loan by the final availability date for the commodity according to subparagraph 226 C. See paragraph 1211 for the final request date on acquired grain.

D Loan Rate

The loan rate will be, for commodities stored in structures that:

- can be measured, 100 percent of the base county loan rate if the quantity is:
 - measured and the structure may or may not be sealed after being measured
 - certified and the structure will **not** be sealed
- **cannot** be measured, 75 percent of the base county loan rate.

Example: \$2 base county loan rate x 75 percent = \$1.50 applicable loan rate.

Structures that are sealed shall be considered structures that “**cannot** be measured”.

E Moisture Determination

The moisture determination may be determined by any of the following:

- local warehouse or State inspection facilities at producer’s expense
- FSA employee
- producer’s certification of moisture when the commodity is in a structure that **cannot** be measured.

Do **not**:

- obtain sample or certification for test weight
- adjust for test weight and pack factors.

1210 Commodity Recourse Loans (Continued)**F Loan Quantity Adjusted for Moisture**

The loan quantity shall be:

- 100 percent of the certified or measured quantity
- adjusted for the applicable moisture shrink factor, according to Exhibit 10, to reflect the quantity at the 2-LP standard moisture level.

Example: Grain sorghum is 14.0 percent and corn is 15.5 percent.

Producer certifies to 10,000 bu. of corn for loan at 25 percent moisture.
25 percent moisture – 15.5 standard moisture = 9.5 percent excess moisture

Table in Exhibit 10 A.
9.5 percent excess moisture factor is 0.8765.
 $10,000 \text{ bu.} \times 0.8765 = 8,765 \text{ bu. eligible for loan.}$

G Establishing Repayment Schedule

If HM corn and grain sorghum or acquired commodity will be fed, County Offices must establish a loan repayment schedule with each producer:

- at loan disbursement
- to ensure that the loan is repaid before:
 - the commodity is removed for feed
 - loan maturity.

County Offices must establish a system to periodically monitor the repayment schedule.

1211 Acquired Quantities for HM Commodities**A Availability**

For HM corn or grain sorghum, a quantity of corn or grain sorghum may be **acquired** for loan purposes in the same county where an eligible quantity of the HM corn or grain sorghum was produced.

The acquired quantity will replace the applicable HM corn or grain sorghum that will be delivered to 1 of the following:

- feedlot
- feed mill
- commercial or on-farm HM corn or grain sorghum storage facility.

B Eligibility

The commodity acquired may be:

- the producer's own current year production
- purchased grain.

C Requesting Loan on Acquired Grain

To obtain a recourse loan on acquired grain in place of the HM corn or grain sorghum, the producer **must**:

- request the loan within 30 calendar days of harvest of the HM corn or grain sorghum, but no later than December 31 of the applicable crop year
- own the acquired grain and the HM corn or grain sorghum at the **same** time when requesting the loan
- certify the acreage of the HM corn or grain sorghum to be disposed and replaced with acquired grain
- identify the acreage harvested HM on aerial photographs in the County Office
- store the acquired grain in farm or warehouse storage approved for storing dry grain.

1211 Acquired Quantities for HM Commodities (Continued)**D Maximum Quantity Eligible**

The maximum quantity of the acquired commodity that may be pledged for HM corn or grain sorghum recourse loan will be limited to the acreage of the commodity harvested at HM level, times the **smaller** of the following:

- farm program yield
- actual yield.

For HM corn or grain sorghum recourse loan purposes, the actual yield may be determined from another field on the producer's farm from which the HM corn or grain sorghum was harvested.

E Disbursing Loans

Disburse the loan as a recourse loan after adjusting quantity for moisture according to subparagraph 1210 F.

1212-1214 (Reserved)

Section 3 Cracked, Rolled, or Crimped Shelled or Ear Corn Recourse Loans**1215 Cracked, Rolled, or Crimped Corn Recourse Loans****A Availability**

Farm-stored recourse loans are available to eligible producers of shelled or ear corn that has been cracked, rolled, or crimped.

If LDP was paid on the corn, it is ineligible for loan.

Note: Corn must have been initially harvested as either shelled or ear corn.

B Acceptable Cracked, Rolled, or Crimped Ear Corn

Acceptable cracked, rolled, or crimped **ear** corn may contain:

- broken kernels and cob reduced to pieces sufficiently large enough to identify by observation that the material is kernel and cob
- only minimal stalk, leaves, husk, and other additives
- less than 50 percent of whole kernels.

C Limitations

The authority to make loans on cracked, rolled, or crimped corn is limited to shelled or ear corn placed in eligible farm storage. This authority must **not** be extended to any other variations of processed corn, including but **not** limited to the following:

- earlage
- ground corn
- silage.

1215 Cracked, Rolled, or Crimped Corn Recourse Loans (Continued)**D Loan Rate**

The loan rate, including HM cracked, rolled, or crimped corn, will be:

- 70 percent of the county loan rate if the commodity can be measured

Example: \$2 base county loan rate x 70 percent = \$1.40 applicable loan rate.

- 52.5 percent of the county loan rate if the commodity **cannot** be measured.

Example: \$2 base county loan rate x 52.5 percent = \$1.05 applicable loan rate.

E Maximum Loan Quantity

The loan quantity will be:

- limited to 100 percent of the quantity certified by the producer or measured by the County Office
- adjusted for moisture according to subparagraph G.

County Offices will:

- document on CCC-666 or CCC-677-1 that the corn is:
 - cracked, rolled, or crimped
 - ear or shelled
- in CLPS, SELECT “**Recourse**” as the funding type
- SELECT “**RCK**” on in the “Class/Variety” field
- SELECT “**Measurable**” or “**Not Measurable**”.

1215 Cracked, Rolled, or Crimped Corn Recourse Loans (Continued)**F Test Weight and Pack Factor**

County Offices will **not**:

- determine test weight at the time of measurement or spot check
- adjust cracked, rolled, or crimped corn quantities for test weight and pack.

Notes: When recording a measured loan in CLPS, the County Office will enter quantity from CCC-677-1 as the “Weighed Quantity”.

Use the 0.4 conversion factor for cracked, rolled, or crimped **ear** corn.

G Moisture Adjustment

County Offices will apply the applicable shrink factor, according to Exhibit 10, for moisture that exceeds 15.5 percent for:

- cracked, rolled, or crimped corn other than HM, for moisture tests conducted according to subparagraph 528 B
- HM cracked, rolled, or crimped corn, for moisture determined according to subparagraph 1210 E.

Notes: Do **not** apply a discount for excess moisture.

See example in subparagraph 1210 F for applying the shrink factor.

H Establishing Repayment Schedule

If the corn will be fed to the producer’s own livestock, the County Office will establish a repayment schedule with the producer to ensure repayment **before**:

- the producer removes the commodity for feed
- loan maturity.

1216-1219 (Reserved)

Section 4 Distress Loans

1220 Initiating Distress Loans

A Availability

[7 CFR 1421.103] State Office may initiate a distress loan program when a commodity is stored on the ground or in temporary facilities:

- on the farm
- in local warehouses.

Distress loans can be initiated within a State with or without a shortage of storage at harvest time.

Distress loan commodities **must** be merchantable and must not contain toxin producing molds unless approved for a specific State and crop year.

B Notification of Program

When a distress loan program is initiated in the State or in designated areas within the State, the State Office must notify:

- PSD **before** notifying the applicable County Offices
- their County Offices only **after** receiving written concurrence from PSD.

County Offices will immediately notify producers of the availability of distress loans for commodities stored in ineligible storage.

In addition to the availability of the distress loan program, provide producers with the information in subparagraphs C and D.

1220 Initiating Distress Loans (Continued)**C Loan Requests**

Loan requests **must** be made, and loan documents signed, within 30 calendar days after harvest completion.

D Storage Location

The storage location for the commodity offered as collateral for the distress loan **must** be **both** of the following:

- protected from animals
- located so that water drainage will **not** seriously affect the quality or quantity of the commodity.

E Maximum Quantity and Loan Rate

The maximum quantity eligible for a certified or measured distress loan must **not** exceed 75 percent of the eligible quantity. The loan rate must **not** be reduced.

F Maturity Date

Distress loans mature on demand, but no later than 90 calendar days after the date the loan is approved.

Note: The loan approval and loan disbursement should be the same date.

The collateral may be repledged to secure a MAL, not to exceed the normal 9-month loan period according to paragraph 1221.

1220 Initiating Distress Loans (Continued)**G Loan Repayment**

On or before the distress loan maturity date, the loan **must** be repaid at principal plus interest. If collateral for the distress loan will be repledged, see subparagraph 1221 B.

H Preparing CCC-677 or CCC-678

CCC-677 or CCC-678 will be prepared in CLPS according to 16-PS.

Note: CLPS is currently unable to process distress loans with a 90-calendar maturity date. When completing the loan disbursement, County Offices must:

- cross through the maturity date printed on the CCC-677 or CCC-678
- with pen, enter the date 90 calendar days from the approval date of the loan
- have the producer initial the entered date on the CCC-677 or CCC-678
- request the State Office to enter into CLPS SharePoint a request to change the maturity date in CLPS to the current date.

1221 Repledging Distress Loan Collateral**A Repledge for 9-Month Loan**

The County Office must notify the producer using the notification letter provided in Exhibit 13, subparagraph C at **least** 30 calendar days before the loan maturity that the producer may move the commodity into **eligible** farm or warehouse storage and repledge the collateral:

- on or before loan maturity
- before the final loan availability date
- only if the commodity meets the eligibility requirements for a nonrecourse loan.

The collateral may be repledged for a:

- recourse loan according to Section 1
- nonrecourse loan according to Part 5, Sections 1 through 3.

B Repayment Before Repledge

If the collateral for the distress loan will be repledged, the producer must repay the distress loan by either of the following methods:

- principal plus interest
- authorize offset for the amount needed to repay the distress loan from the proceeds of the repledged loan.

C Maturity Date of Repledged Distress Loan

The maturity date for the repledged distress loan will be the last day of the 9th calendar month following the disbursement date of the original distress loan.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None.

Forms

This table lists the forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		33, 200, 501, 1000, 1101 Ex. 8
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	502	501, 521, 617
CCC-36	Assignment of Payment		1000
CCC-39	Request for Issuance of Duplicate Warehouse Receipt(s)	552	
CCC-257	Schedule of Deposit		318, 817
CCC-258	Wire Transfer of Funds		720
CCC-491	Beneficial Interest Certification Sheet	228	
CCC-500	Loan Payment Receipt		20, 400, 416
CCC-500M	Marketing Assistance Loan Repayment Receipt (in CLPS)	700	Part 7
CCC-601	Commodity Credit Corporation Note and Security Agreement Terms and Conditions	Ex. 4	10, 28, 410, 508
CCC-605	Authorization of Electronic Agent and Designation of Agent - Cotton		775, Ex. 8
CCC-605P	Designation of Agent – Peanut		775, Ex. 8
CCC-633EW	Loan and LDP Eligibility Worksheet Commodities Harvested as Other Than Grain Determining Maximum Eligible Quantity	336	
CCC-633 EZ	Loan Deficiency Payment (LDP) Agreement and Request	1007	Text, Ex. 4

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-633 GRAZING	Graze-Out Payment Program Application	1105	200, 1102, 1103, 1104
CCC-633 (Honey)	Honey Nonrecourse Market Assistance Loan Certification and Worksheet		225, 776, Ex. 11
CCC-633WM	Wool and Mohair Loan Quantity Certification and Worksheet		225, 234, 776, Ex. 11
CCC-638	Confirmation of Sale	860	857
CCC-639	Competitive Bid Pricing Worksheet	849	847, 850, Ex. 11, 18, 19
CCC-664	Agreement to Permit Assumption of a CCC Loan		206
CCC-665	Agreement for Grain Pledged as Collateral for CCC Commodity Loans	527	501, 600
CCC-666	Commodity Loan Request	524	Text, Ex. 8
CCC-674	Certification for Contract, Grants, Loans, and Cooperative Agreements	28	1000
CCC-676	LDP and Loan Number Register		615
CCC-677	Farm Storage Note and Security Agreement		Text
CCC-677-1	Farm Storage Loan Worksheet	Ex. 15	Text
CCC-678	Warehouse Storage Note and Security Agreement		Text
CCC-679	Lien Waiver	504	Text
CCC-681	Authorization to Move Loan Collateral or Designate Additional Storage	614	613, 615, 617, Ex. 18
CCC-681-1	Authorization for Delivery of Loan Collateral for Sale	743	Text, Ex. 2, 18, 31
CCC-683	Commodity Loan Seal	Ex. 16	316, 523-525
CCC-685	Authorization to Release Warehouse Receipts	770	
CCC-686	Application for Loan or LDP by Heirs (On a Commodity Produced by a Person Who Has Died)	205	200
CCC-687-1	Approval to Commingle or Move Loan Collateral	600	317, 526
CCC-691	Commodity Delivery Notice	801, 816, 817	Text, Ex. 5, 18, 31
CCC-692	Settlement Statement	822	821, 825, 851, 852, 866, 867, Ex. 2, 18

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-694-1 Page 2	CCC-Determined Value and Commodity Certificate Worksheet	778	Ex. 2
CCC-694-2	Acknowledgement of Commodity Certificate Purchase	775	Part 7, Section 7
CCC-697	Request to Lock In a Market Loan Repayment Rate	717	Text
CCC-699	Reconcentration Agreement and Trust Receipt	628	627, 629-631
CCC-770 Grazing	Graze-Out Payment Program Processing Checklist	1106	
CCC-770 LDP	Loan Deficiency Payment (LDP) Processing Checklist	23	25, 34, 234, 1001
CCC-770 MAL	Marketing Assistance Loan (MAL) Processing Checklist (for All Commodities Except Cotton)	23	25, 34, 234, 501, 508
CCC-901	Members Information Agricultural Act of 2014		200, 1000, 1101, Ex. 8
CCC-902	Farm Operating Plan		33, 200, 203, 1000, 1101, Ex. 2, 8
CCC-902E	Farm Operating Plan for An Entity		501, Ex. 15
CCC-902I	Farm Operating Plan for An Individual		501, Ex. 15
CCC-941	Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information		35, 200, 501, 1000, Ex. 2, 8
CCC-1099-A	Report of Loan, Forfeiture, Settlement, and Abandonment to Producer		27
CCC-1099-G	Report Payments to Producers (Reported to IRS)		27
CCC-Cotton A-5	Statement of Eligibility and Information Worksheet		523, 543
FSA-13-A	System Access Request Form		3
FSA-159	Request for Supplies, Forms, and/or Publications		Ex. 16
FSA-211	Power of Attorney		227, 501, 759, 774, 1000, Ex. 4
FSA-321	Finality Rule and Equitable Relief		318, 319

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-409	Measurement Service Record		Text
FSA-578	Report of Acreage		Text, Ex. 4
FSA-2360	Report of Lien Search		503
IRS-1099-G	Statement for Recipient of Certain Government Payments		774
KC-232	Notice of Approval or Change in Status of Storage Agreement/Schedule of Warehouses	45	545
KC-350 (Grain)	Warehouse Operator's Supplemental Certificate		Text
KC-350 (Oilseed)	Warehouse Operator's Supplemental Certificate		Text
KC-385	Merger of Locations Under a Single CCC Code Number		542, 543
SF-LLL	Disclosure of Lobbying Activities	28	1000
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet	28	
UCC-1	Financing Statement		Text
UCC-1F	Farm Products Financing Statement		524
UCC-3	Financing Statement Amendment		511
WA-302	Examination Report		547

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
BI	beneficial interest	1007
CARS	Crop Acreage Reporting System	200, 225, 1101, 1103, Ex. 11
CCE	commodity certificate exchange	Part 7, Ex. 2
CLPS	commodity loan processing system	Text, Ex. 13, 15, 18, 19, 34
EIDL	Economic Injury Disaster Loan	511, Ex. 5
F.O.B.	freight on board	228, 848, 849, 850, 852, Ex. 18
HM	high moisture	Text, Ex. 2, 15
LPAS	Loan and LDP Program Administration System	10
MB	Merchandising Branch	821, 825
NPP	national posted price	700, 774, 777, Ex. 2
PCP	posted county price	3, Part 7, Ex. 2
PD	Procurement Division	45, 821, 825, 901
PDD	Program Delivery Division	10, 225, 318, 617
RCP	regionally calculated price	765
RQMS	Reasonable Quantity Management System	10, 225, 230, 501
SCB	Storage Commodities Branch	542, 800
SORS	State Office Reporting System	3, 10, 45, Ex. 3
UGRSA	Uniform Grain and Rice Storage Agreement Warehouse Information	Text, Ex. 2
USWA	U.S. Warehouse Act	3, 522, 540, 542-545, 547, Ex. 2
WCMD	AMS Warehouse Commodity Management Division	817, Ex. 3
WLED	Warehouse Licensing and Examination Division	41, 542, 800

Redelegations of Authority

Redelegation of authority is provided in paragraph 2.

Definitions of Terms Used in This Handbook

Accelerating the Loan Maturity Date

Accelerating the loan maturity date or calling the loan is moving forward the maturity date of an outstanding MAL. The maturity date of a MAL can be accelerated when, as determined by CCC, the terms and conditions of the MAL note and security agreement are violated, a producer incorrectly certifies a loan quantity or makes any fraudulent representation with respect to obtaining a loan, removing or disposing of a farm-stored commodity pledged as collateral for a loan without authorization, to protect CCC's interest, or in an emergency. Loans that are accelerated are "called" loans.

Administrative Actions

Administrative actions mean punitive actions taken against a producer who incorrectly certifies a quantity or makes any fraudulent representation with respect to obtaining a loan or LDP, or removes or disposes of a farm-stored commodity pledged as collateral for a loan without authorization.

Administrative actions include:

- accelerating the maturity date of the loan
- requiring the producer to repay the outstanding loan principal and charges, plus accrued interest, with cash applicable to the loan quantity involved in the violation
- requiring repayment of LDP quantity involved in a violation
- requiring repayment of the entire LDP quantity
- assessing liquidated damages on the quantity involved in the violation
- denying the producer farm-stored loans, and LDP's without production evidence, up to 24 months after the violation is discovered.

Administrative County Office

Administrative county office is the FSA County Office where a producer's FSA records are maintained.

Alternate Bid

Alternate bid means a bid that provides for an amount to be added to or deducted from the stated bid amount.

Definitions of Terms Used in This Handbook (Continued)**Approved Warehouse**

An approved warehouse is a warehouse with a UGRSA that is approved to store and handle CCC-owned grain and grain eligible for CCC MAL's.

Authorized Warehouse Storage

Authorized warehouse storage means storage in a warehouse that is either of the following:

- Federally licensed under USWA
- if **not** Federally licensed, are either of the following:
 - in compliance with State laws in a State with an operating warehouse licensing program and issues warehouse receipts that meet the criteria for MAL's as specified in paragraph 545
 - located in a State without an operating warehoused licensing program and have entered into UGRSA with CCC.

Basic Loan Rate

Basic loan rate means the loan rate established by CCC for a commodity before any adjustment for premiums and discounts.

Buyer

Buyer means the warehouse operator, broker, agent, or other person or entity the producer designates for issuing CCC-681-1.

Charges

Charges means all fees, costs, and expenses incurred in insuring, carrying, handling, storing, conditioning, and marketing the commodity tendered to CCC for a MAL. Charges also include any other expenses incurred by CCC in protecting CCC's or the producer's interest in such commodity.

CMA

CMA means a cooperative marketing association that is subject to regulations in 7 CFR 1425.

Definitions of Terms Used in This Handbook (Continued)

Commodities

Commodities eligible for the MAL or LDP program include the following:

- barley
- corn
- grain sorghum, including dual purpose sorghum varieties as determined by CCC.
- honey
- mohair
- oats
- oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower seed, sesame seed, soybeans, and sunflower seed
- pulse crops, including large and small chickpeas, dry peas, and lentils
- rice, long and medium grain (medium grain includes short grain according to 2-LP Rice)
- wheat
- wool, graded and nongraded
- any of the commodities listed in this definition, mechanically harvested as other than grain, **excluding** hay or silage (paragraph 220).

Note: Hay, silage, and unshorn pelts are eligible for LDP **only** (paragraph 1020).

Commodity Certificate Exchange

A commodity certificate exchange (CCE) is the purchase of a commodity certificate at the County Office servicing a MAL by a producer or designated agent to immediately exchange for outstanding nonrecourse MAL collateral. The exchange rate is the CCC-determined value on the date CCE is requested and CCC-694's is signed in the County Office and will be based on the effective:

- AWP for cotton and rice
- NPP for peanuts
- PCP for other crops.

Definitions of Terms Used in This Handbook (Continued)**Commodity Inspector**

Commodity inspector means COC representative who does field work for the loan and LDP programs.

Commodity Loan

Commodity loan means a loan that can be nonrecourse or recourse.

Commodity Loan Gain

Commodity loan gain means the difference between the loan principal amount and the CCC determined value of the commodity certificate used to exchange the loan collateral, and the gain is not subject to either AGI provisions or Payment Limitation.

Control of the Commodity

Control of the commodity means a producer keeps the ability to make all decisions affecting the commodity. For example:

- moving or right to sell or pass title to the commodity
- pledging the commodity for loan or requesting LDP.

Conversion

Conversion means the borrower removing a commodity under loan for sale or other use, with or without authorization.

County Committee

County Committee, abbreviated as COC, means the FSA County Committee.

Crop Year

Crop year means, for a commodity, the 12-month period that:

- begins on the first day of the eleventh calendar month before the month in which the final availability date for the applicable commodity falls
- ends on the final availability date for the applicable commodity.

Crop with respect to a year, means commodities harvested in that year. Crop year of a commodity means commodities that when planted were intended for harvest in that calendar year.

Definitions of Terms Used in This Handbook (Continued)**Customary Delivery Point**

Customary delivery point means the shipping point, location, or approved warehouse (elevator), as determined by the County Office, where the producer would normally deliver a specific commodity if sold on the market.

Note: This does **not** apply to producer's farm or sales to neighbors, as applicable.

AMS-Approved EWR Provider

AMS-approved EWR provider means a person or entity that is a disinterested third party authorized and approved by AMS to maintain a confidential and secure electronic EWR system.

DCIA

DCIA means the provision for barring delinquent debtors from obtaining additional Federal loans or loan insurance or guarantees. Delinquent debtor is determined as follows:

- **for farm program debts**, the debt is in delinquent status 90 calendar days after the date of the first demand letter; the notification is **not** the first demand letter
- **for FSFL's**, the debt is in delinquent status if not paid in full within 90 calendar days after the due date; however, if the installment principal balance is less than \$25, the farm storage facility loan is **not** considered delinquent.

Note: FLM's are responsible for informing County Office personnel of any farm loan delinquent debts, as applicable.

Deficiency

Deficiency means the amount owed CCC when the settlement value of a farm-stored or warehouse-stored loan is less than the outstanding loan value.

Definitions of Terms Used in This Handbook (Continued)

Delinquent Federal Nontax Debt

Delinquent federal nontax debt means a person owing a delinquent Federal nontax debt to the Federal Government.

According to DCIA, a person owing a delinquent Federal nontax debt to the Federal Government is ineligible for Federal financial assistance, including direct loans (other than disaster loans) or loan insurance or guarantees. DCIA defines delinquent Federal nontax debts as, but **not** limited to, the following:

- Federal:
 - unpaid loans, including educational loans
 - overpayments
 - duplicate payments made to Federal salary or benefit payment recipients
 - misused grant funds
 - unpaid fines, penalties, or fees assessed by Federal agencies
- child support.

Note: Producers owing **tax** debt to IRS are still eligible for an LDP or MAL as long as all other eligibility and program requirements are met.

Denied Market Gain

Denied market gain means the amount of market loan repayment or LDP determined ineligible because:

- percent of cropland or permitted entity share factor is less than 1
- AGI exceeded
- payment limitation exceeded, as applicable.

Deputy Administrator

Deputy Administrator means the Deputy Administrator for Farm Programs (DAFP), Farm Service Agency (FSA) or a designee of that person.

Definitions of Terms Used in This Handbook (Continued)**Electronic Warehouse Receipt (EWR)**

EWR's are receipts authorized by AMS to be issued or transmitted under USWA as electronic documents.

EWR's are electronically filed in a central filing system by an approved provider as provided in an executed "Farm Service Agency Provider Agreement to Electronically File and Maintain Warehouse Receipts."

Eligible Producer

Eligible producer means a person or legal entity that:

- has complied with annual program requirements including:
 - reporting acreage for applicable crops according to 2-CP
 - completing AD-1026 according to 6-CP
 - CCC-941 according to 6-PL
 - completing applicable 902 according to 6-PL for both loans and LDP's

Note: CCC-902 is required for foreign person determination on both loans and LDP's.
See subparagraph 203 A.

- has a beneficial interest in the eligible commodity for which a loan or LDP is requested
- shares in the risk of producing the applicable commodity.

The person or legal entity may be any of the following:

- landowner
- landlord or waterlord
- tenant
- sharecropper.

Definitions of Terms Used in This Handbook (Continued)**Excess Moisture Commodities**

Excess moisture commodities mean loan commodities, listed in subparagraph 225 C, with moisture levels that exceed the applicable standard moisture levels, according to 2-LP Grains and Oilseeds, and are at or below the STC-established maximum moisture level for the applicable loan commodity.

Graze-Out Payment

Graze-Out payments are LDP's to eligible producers who although eligible to obtain a loan, elect to use the acreage planted to barley, oats, triticale or wheat for livestock grazing. And agree to forgo harvesting the commodity during the applicable crop year.

High Moisture (HM) Commodities

HM commodities mean corn and grain sorghum with moisture levels exceeding the STC-established maximum moisture levels that are only eligible for recourse loans (see paragraph 1210 for HM recourse loans for corn and grain sorghum).

Incorrect Certification

Incorrect certification means either of the following and is considered a violation:

- certifying a quantity of a commodity for the purpose of obtaining a farm-stored or warehouse-stored commodity loan or LDP exceeding the quantity eligible for loan or LDP
- making any fraudulent representation with respect to obtaining loans or LDP's.

Inspect

Inspect means to visually examine the commodity and storage structure to determine the suitability of the structure and storability of the commodity.

Intentional Removal or Disposition

Intentional removal or disposition means the deliberate removal or disposition of loan collateral.

Isolated Farm-Stored Lot

Isolated farm-stored lot means a remote structure storing a nonrecourse MAL which due to distance to a UGRSA warehouse is not cost effective to pay excess haul to deliver to CCC.

Definitions of Terms Used in This Handbook (Continued)**LDP**

LDP means a payment made to a producer who, although eligible to obtain a CCC commodity loan, agrees to forgo the loan in return for a payment on the eligible commodity.

LDP Amount

LDP amount means the difference between the county loan rate and CCC-determined value for the applicable commodity or class of commodity times the eligible quantity.

Legal Entity

Legal entity means the entity either:

- owns land or an agricultural commodity, product, or livestock
- produces an agricultural commodity, product, or livestock.

Loan Settlement

Loan settlement means farm-stored commodities delivered to CCC and warehouse-stored commodities forfeited to CCC at loan maturity, for the applicable crop years.

Locked In Repayment Rate

Locked in repayment rate means an announced repayment rate on a disbursed MAL that a producer has locked in for 60 calendar days. All locked in repayment rates expire within 14 calendar days before the loan maturity date. MAL's can be repaid either at principal plus interest or the repayment rate in effect on the date the repayment is made. The repayment rate can only be locked in one time for a designated quantity and, if multiple locked in repayment rates are in effect for quantities under MAL that have not been locked in repayment rate, the oldest rate is always applied first.

Market Loan Gain

Market loan gain means the difference between the loan principal amount and CCC-determined value on loans repaid with cash at a rate that is less than the loan rate. The total of all market loan gains received by a producer for an applicable crop year are subject to both AGI provisions and payment limitation.

Definitions of Terms Used in This Handbook (Continued)**Measure**

Measure means obtaining storage structure dimensions, test weight, and if applicable, moisture, during a spot check or measurement service request to determine quantity of a commodity in a storage structure.

Measured Quantity

Measured quantity means the measured volume of a commodity in a storage structure:

- converted to bu. or cwt
- adjusted by a test weight and pack factor or, for oilseeds except soybeans, test weight factor
- if applicable, adjusted for moisture shrink.

Misaction/Misinformation

[7 CFR 718.8] Misaction/misinformation means performance rendered in good faith based on action of, or information provided by, an authorized COC or STC representative.

Mohair

Mohair means the hair sheared from a live Angora goat. Mohair does not include pelts or hides or mohair shorn from pelts or hides.

Nonrecourse Loan

Nonrecourse loan means MAL for which the commodity offered as collateral for the loan meets the quality eligibility requirements, according to the applicable 2-LP and may; therefore, be delivered or forfeited to CCC, at loan maturity, in satisfaction of the loan indebtedness, or repaid at a rate less than principal plus interest, if applicable.

Oilseeds

Oilseeds means any crop of sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, crambe, sesame seed, and other oilseeds as determined and announced by CCC.

Option to Purchase

Option to purchase means an agreement allowing the buyer, at the buyer's option, to enter into a contract at a later date to buy a commodity. The option to purchase does **not** give the buyer any interest in the commodity and expires at a specified time.

Definitions of Terms Used in This Handbook (Continued)**Overdisbursement**

Overdisbursement means the amount of price support loan received by a producer exceeds the amount the producer is entitled to receive.

Overpayment

Overpayment means the amount of LDP received by a producer exceeds the amount the producer is entitled to receive.

Public Warehouse

Public warehouse means any elevator, seed house, feed store, or other structure for which any of the following apply:

- under a storage agreement with CCC, such as UGRSA
- State or Federally licensed to warehouse agricultural commodities
- insures the commodity stored regardless of the commodity ownership
- receives compensation for storage based on the quantity stored, such as per bu., cwt, etc.

Pulse Crops

Pulse crops means any crop of dry peas, lentils, and chickpeas as defined by CCC.

Receivable

Receivable means a dollar amount determined to be due and payable to CCC immediately upon demand.

Reconcentration

Reconcentration means moving warehouse-stored loan collateral from 1 warehouse storage point to another.

Definitions of Terms Used in This Handbook (Continued)**Recording FSA County Office**

Recording FSA County Office is the FSA County Office that records eligibility data for producers designated as multi-county producers.

Recourse Loan

Recourse loan means MAL for which the commodity offered as collateral does **not** meet the quality eligibility requirements according to the applicable 2-LP, and:

- may not be delivered or forfeited to CCC in satisfaction of the loan indebtedness
- must be repaid in full on or before the loan maturity date at principal plus interest **only**.

The following are considered recourse loans:

- HM corn and grain sorghum
- acquired grain for HM corn or grain sorghum loans
- distress loans on any commodity that is not stored in eligible storage
- any commodity otherwise eligible for nonrecourse loan, but does not meet the quality eligibility requirements according to the applicable 2-LP.

Representative Sample

Representative sample means a composite sample that is representative of the entire quantity.

Spot Check

Spot check means to verify measurements, quantity, storability, and sanitary conditions of loan collateral.

State Committee

State Committee (STC) means the FSA State Committee.

Definitions of Terms Used in This Handbook (Continued)**Substituted Commodities**

Substituted commodities mean commodities that are **not** harvested, sheared, or slaughtered by the eligible producer for the applicable crop year. Substituted commodities are **ineligible** for MAL's and/or LDP's.

Tie-In Bid

Tie-in bid means the bidder makes the acceptance of 1 item's bid conditional upon the acceptance of another item being bid on in the same sale.

Title to the Commodity

Title to the commodity means a producer has not sold or delivered the commodity, including delivering warehouse receipts.

Transfer

Transfer means physically moving a quantity of the commodity pledged as collateral for an outstanding CCC loan, such as farm-to-warehouse transfers.

Transferred Loan Quantity

Transferred loan quantity means the loan quantity liquidated from the originating farm- or warehouse-stored loan.

Turn-Around Loan

Turn-around loan is a special designation for a loan that is requested, approved for disbursement, and exchanged with a commodity certificate purchased the same day.

Definitions of Terms Used in This Handbook (Continued)**Substituted Commodities**

Substituted commodities mean commodities that are **not** harvested, sheared, or slaughtered by the eligible producer for the applicable crop year. Substituted commodities are **ineligible** for MAL's and/or LDP's.

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Transfer

Transfer means physically moving a quantity of the commodity pledged as collateral for an outstanding CCC loan, such as farm-to-warehouse transfers.

Transferred Loan Quantity

Transferred loan quantity means the loan quantity liquidated from the originating farm- or warehouse-stored loan.

Turn-Around Loan

Turn-around loan is a special designation for a loan that is requested, approved for disbursement, and exchanged with a commodity certificate purchased the same day.

Definitions of Terms Used in This Handbook (Continued)**Unapproved/Unlicensed Warehouses**

Unapproved/unlicensed warehouses mean warehouses that are not CCC-approved, Federally or State licensed to store and issue negotiable warehouse receipts for commodities physically delivered or stored in the warehouses, such as but not limited to dairy, feedlot, pit, ethanol plant, feed mill, or wool pool.

Unauthorized Disposition

Unauthorized disposition means converting, which includes selling, feeding or processing, any loan quantity pledged as collateral for a farm-stored loan without prior written authorization from COC is considered a violation.

Unauthorized Removal

Unauthorized removal means the movement of any farm-stored loan quantity from the storage structures in which the commodity was stored or structures that were designated when loan was approved to any other structure whether or not such structure is located on the producer's farm, without prior written authorization from COC and is considered a violation.

Unshorn Pelt

Unshorn pelt means the removed skin, and attached wool from a slaughtered lamb that has never been shorn.

Violation

Violation means the breach of any of the terms and conditions of the loan, LDP or Graze-Out agreement. Any discrepancy in the loan collateral whether or not within tolerance, may be considered a violation. Violations can include the following: fraudulent representation, including misrepresentation, incorrect certification of the eligibility of a commodity, unauthorized removal and unauthorized disposition.

Definitions of Terms Used in This Handbook (Continued)**Warehouse Receipt**

Warehouse receipt means a receipt containing the required information prescribed in 7 CFR Part 1421.3 and is:

- a pre-numbered, negotiable warehouse receipt issued under the authority of the U. S. Warehouse Act, a State licensing authority, or by an approved CCC warehouse in such format authorized and approved, in advance by CCC
- an electronic warehouse receipt (EWR) issued by such warehouse recorded in a central filing system or system maintained in one or more locations which are approved by FSA to operate such system; or
- other such acceptable evidence of title, as determined by CCC.

Wire Transfer

Wire transfer means an electronic process of sending money from 1 account to another the same day. For commodity loan repayments by wire transfer, the date the funds are transferred and received in CCC's account is the date of repayment.

Wool

Wool means the fiber sheared from a live sheep and includes, unless noted otherwise, graded and nongraded wool.

***--List of Helpful Website Links**

Website	Link
Loan Deficiency Payments	https://fcp-apps-fsa.fpac.usda.gov/usda_scc_gateway/ldp/app/fsa/home
Commodity Loan Rates	https://www.fsa.usda.gov/resources/price-support/commodity-loan-rates
Loan and LDP Program Administration	https://intranet-apps-fsa.fpac.usda.gov/intranet-apps/lpas/app/home
Electronic Loan Deficiency Payments	https://fcp-apps-fsa.fpac.usda.gov/usda_scc_gateway/ldp/app/fsa/home
Marketing Assistance Loan Processing System	https://fcp-intranet-apps-fsa.fpac.usda.gov/clps/stateAndCountySelection
Cotton Online Processing System	https://fcp-apps-fsa.fpac.usda.gov/COPS/splash/COPS_Alt_splash
Marketing Assistance Cotton Loan Processing System	https://intranet-apps.fsa.usda.gov/EWR/MainRedirector.do https://fcp-apps-fsa.fpac.usda.gov/COPS/splash/COPS_Alt_splash
SORS (MAL/LDP Reports)	https://fcp-intranet-apps-fsa.fpac.usda.gov/sors/catalog
NPS-National Payment Service	https://intranet-apps.fsa.usda.gov/Payments/login.do
NRRS-National Receipts and Receivables	https://intranet-apps.fsa.usda.gov/NRRS/home.do
Common Payment Reporting System	https://intranet-apps-fsa.fpac.usda.gov/payment-reports/reportSelection.do?link=mainMenu
Subsidiary-Eligibility Applications	https://fcp-intranet-apps-fsa.fpac.usda.gov/Subsidiary/SubWeb/Subsidiary.do
Directives-Handbooks	https://intranet.fsa.usda.gov/dam/handbooks/handbooks.asp
WCMD Approved Warehouse Listing	https://www.ams.usda.gov/services/warehouse/approved-storage-warehouses
SharePoint for MAL's and LDP's Software Issues	Commodity Loans and LDPs - Main (sharepoint.com)

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Example of CCC-601

The following is an example of CCC-601.

This form is available electronically.
CCC-601
(09-05-19)

See Page 7 for Privacy Act and Paperwork Reduction Act Statements.
U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

COMMODITY CREDIT CORPORATION NOTE AND SECURITY AGREEMENT TERMS AND CONDITIONS

NOTE: Marketing Assistance Loans and Commodity Loans may be reduced by a specified percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011. Should a reduction be required, the total loan amount shall be reduced by the required sequestration reduction.

1. GENERAL.

(a) **Definitions.** The following definitions shall apply to this form, CCC-601, and any appendix thereto.

"Amount Due" means that amount of the loan due CCC on the maturity date which is (A) the sum of: (1) the total loan amount; (2) any applicable charges; as determined by CCC and applicable interest as provided in the definitions found in this agreement, or (B) at CCC's discretion, an amount that is less than the sum of the amount of the loan principal plus charges and applicable interest.

"CCC" means the Commodity Credit Corporation.

"Classification" means the measurement results provided by the Agricultural Marketing Service of color grade, leaf, staple length, uniformity, extraneous matter and micronaire, and for upland cotton, strength.

"Collateral" means the kind, class, type, and quantity of the commodity which has been pledged by the producer as collateral for the satisfaction of the loan as identified in the Note. The collateral consists of (A) with respect to farm-stored loans, the entire quantity of the commodity which is stored as identified in the Note and any authorized replacement of such quantity; or (B) with respect to warehouse-stored loans, the commodity represented by the warehouse receipts identified in the Note and any required supporting documents.

"Interest" means for a CCC commodity loan disbursed by a U.S. Treasury issued check or by EFT, an amount calculated when repaid on a daily basis from the date of disbursement to, but not including, the second day before the date of repayment (7 CFR Part 1405).

"Loan Service Fee" means the service fee deducted at loan disbursement and is calculated as follows: (A) for wheat, feed grains, oilseeds, lentils, dry peas, chick peas, wool, mohair, peanuts, rice, and seed cotton, the smaller of $\frac{1}{2}$ of 1 percent (.005) times the gross loan amount or \$45 per loan plus \$3 for each storage structure, warehouse receipt, rick or module, as applicable, over 1; (B) for ginned cotton, the smaller of $\frac{1}{2}$ of 1 percent (.005) times the gross loan amount or \$7.50 per loan plus 90 cents for each bale; (C) for sugar, \$60 per loan; and (D) for distress loans, \$45 per loan.

"Note" means any CCC Note and Security Agreement which by reference incorporates this form.

"Reduced Loan Amount" means the total loan principal amount after any sequestration reduction.

"Regulations" means the regulations in Title 7 of the Code of Federal Regulations which are applicable to the crop of the commodity described in the Note.

"Schedules of Premiums and Discounts" means the premiums and discounts established by CCC which are applicable to the grade or classification of the commodity as determined from the grading factors reflected on a: (A) warehouse receipt; (B) Federal Grain Inspection Service official grading certificate; (C) Agricultural Marketing Service Classification; or (D) Core test report from a CCC-approved testing facility. These premiums and discounts shall be used in the settlement of a nonrecourse loan if the producer does not repay the loan as required by the program regulations. Copies of the schedules of premiums and discounts are available in State or county Farm Service Agency offices.

"Sequestration Reduction Rate" means the reduction rate required by the Budget Control Act of 2011, and applicable to specified programs to reduce government spending.

"Total Disbursement Amount" means the disbursement amount after the sequestration reduction, service fees, applicable commodity assessment, and other fees are subtracted. This amount includes any offsets paid to others on the producer's behalf by CCC.

Example of CCC-601 (Continued)

CCC-601 (09-05-19)

Page 2 of 7

"Total Loan Amount" means the amount so identified in the Note, and is the applicable statutory loan rate for the specified commodity at the storage location identified, including those premiums and discounts applicable at loan making, times the loan quantity.

All other words and phrases shall have the meanings assigned to them in the regulations found at 7 CFR Parts 718, 1400, 1403, 1405, 1421, 1425, 1427, 1434 and 1435.

- (b) **Joint and Several Liability.** Each producer signing the Note is jointly and severally liable for payment of the amount due. If a producer has granted another person the authority to act on behalf of the producer with respect to any, or all, of the provisions of this note, if the actions of such other person result in loss or damage to CCC, the producer and such person shall be jointly and severally liable for payment to reimburse CCC for each losses or damages.
- (c) **Notification.** Several of the terms and conditions of the Note require the producer to notify CCC of actions to be taken by the producer. Any such notification must be made by notifying a representative of CCC at the Farm Service Agency county office that prepared the Note. All notices which CCC must provide to the producer will be mailed to the producer at the address maintained by that office. The producer will be deemed to have received such notice upon deposit, as first class or priority mail, in the U.S. Mail.
- (d) **Applicable Sections.** Except as may otherwise be stated herein: (i) Sections 1 through 3, 5 through 7 and 11 are applicable to all loans; (ii) Section 4 is only applicable to nonrecourse loans; (iii) Section 8 is only applicable to farm-stored nonrecourse loans; (iv) Section 9 is only applicable to warehouse-stored nonrecourse loans; (v) Section 10 is only applicable to recourse loans.
- (e) **Applicable Regulations.** The Note evidences a CCC loan made in accordance with Title 7 of the Code of Federal Regulations. Applicable parts of Title 7 of the Code of Federal Regulations are incorporated by reference as a part of the Note.
2. **EQUAL OPPORTUNITY.** Participation in CCC Programs is open to all eligible applicants without regard to race, color, religion, national origin, age, sex, marital status, or disability.
3. **LOAN MATURITY.** The Note will mature at the earlier of the maturity date stated in the Note or any earlier date determined by CCC. If CCC makes demand for payment before the stated maturity date, the producer will be notified in writing of the accelerated maturity date.
4. **LIQUIDATION OF NONRECOURSE LOANS.** On or before the loan maturity date, the producer may repay the loan by paying the amount due. If the producer repays the loan at a rate less than the sum of the loan principal plus charges and interest, the producer must provide to CCC evidence of production of the commodity which had been pledged as collateral for the loan. In lieu of repayment of the amount due, the producer may, in accordance with Sections 8 and 9, deliver the collateral to CCC. In the case of farm-stored loans, the producer shall bear all expenses including receiving charges of the delivery of the collateral to the delivery point stated in the delivery instructions issued by CCC. The producer will pay to CCC any costs incurred by CCC if the producer fails to deliver the collateral in accordance with such instructions. All wool and mohair nonrecourse marketing assistance loans not repaid by the loan maturity date must be liquidated through local sales at the farm storage location within a 60-calendar day period at no storage expense to CCC. Any charges incurred by CCC as a result of the local sale will be paid by the producer.
5. **WAIVER OF PRESENTMENT.** The producer waives presentment for payment, demand, protest, notice of protest, and notice of non-payment of the Note.
6. **PRODUCER'S RESPONSIBILITY.**
- (a) **General.** The producer must be in compliance with all applicable program requirements and must have beneficial interest in the commodity pledged as collateral for the loan.
- (b) **Liens.** The producer must pledge commodities that are eligible for loan and that are free and clear of all liens including Federal and State tax liens, security interests, and other encumbrances. No additional liens or encumbrances shall be placed on the loan collateral after the loan is approved.
- (c) **Movement of Collateral.** The producer will not move any collateral from the location stated in the Note without prior approval of CCC and then only in accordance with instructions issued by CCC or provisions of CCC-699C, Cotton Transfer Agreement. If such movement is not completed as instructed by CCC or the collateral is disposed of, either CCC may at its discretion accelerate the loan maturity date, assess liquidated damages as specified in Section 6(g), and take other administrative actions, as determined appropriate by CCC, including denial of future loans.

Example of CCC-601 (Continued)

CCC-601 (09-05-19)

Page 3 of 7

- (d) **Access to Collateral.** The producer will allow CCC to enter the premises and inspect the collateral. In the case of high moisture collateral stored in oxygen-limiting structures, the producer must open the facility when requested by CCC to permit inspection of the collateral. If safe access to the collateral is not provided or if the inspection cap on the facility is not opened to permit visual inspection of the collateral, the loan maturity date may be accelerated.
- (e) **Certification.** The producer must provide an accurate certification of the quantity of the commodity to be pledged as collateral for a loan. If CCC determines that the producer has filed an incorrect certification of such eligible quantity, CCC may at its discretion accelerate the loan maturity date, assess liquidated damages, as specified in Section 6(g), and take other administrative actions, as determined by CCC, including denial of future loans.
- (f) **Loss or Damaged Loan Collateral.** The producer is responsible for any loss in quantity or quality of the commodity pledged as collateral for a farm-stored or warehouse-stored loan. CCC shall not assume any loss in quantity or quality of the loan collateral regardless of where stored.
- (g) **Liquidated Damages.** If CCC determines that the producer has violated provisions of Section 6(c), 6(e), or 7(a), liquidated damages may be assessed on the quantity of the commodity which is involved in the violation. For each violation, CCC will review the actions of the producer to determine if the producer acted in good faith to comply with such provisions.
- (i) For producers determined to have violated provisions of Section 6(c) and if CCC determines that the producer acted in good faith, liquidated damages may be assessed by multiplying the quantity involved in the violation by 10 percent of the loan rate. The producer shall pay such liquidated damage penalties plus the lesser of (1) the principal amount of the loan and charges plus interest, (2) CCC determined value on the date the violation occurred plus 15 percent of the applicable loan rate with respect to the quantity involved in the violation within 30 days of notification by CCC, or CCC will call the loan involved in the violation and require full payment at principal and charges plus interest. For honey, the producer shall pay the principal amount of the loan and charges plus interest.
- (ii) For producers determined to have violated provisions of Section 6(e) or 7(a), and if CCC determines the producer acted in good faith, liquidated damages may be assessed by multiplying the quantity involved in the violation by 10 percent of the loan rate. The producer shall pay such liquidated damages plus the principal amount of the loan and charges plus interest with respect to the quantity involved in the violation, within 30 days of notification by CCC, or CCC will call the loan involved in the violation.
- (iii) If CCC determines that the producer did not act in good faith with regard to the violation, or for cases other than the first or second offense, CCC will call the loan involved in the violation and may assess liquidated damages computed by multiplying the quantity involved in the violation by 10 percent of the loan rate. The producer shall pay such liquidated damages plus the principal amount of the loan and charges plus interest.
- (h) **Delinquent Federal Nontax Debt.** If it is discovered that a producer incorrectly certified to the DCIA question, the producer will be notified that the loan must be repaid at principal and interest immediately.
- If a producer receives a loan and it is later discovered that the producer has a delinquent Federal nontax debt, the producer will be notified that the delinquent Federal nontax debt must be resolved before the final loan availability date for the applicable commodity. If the delinquent Federal nontax debt is not resolved before the final loan availability date, the producer must repay the loan at principal plus interest.
- (i) **Certification for Contracts, Grants, Loans and Cooperative Agreements.** If it is discovered that a producer did not comply with lobbying disclosure requirements (31 U.S.C. 1352), applicants for and recipients of :1) A Federal loan exceeding \$150,000; or 2) A Federal contract, grant, or cooperative agreement payment exceeding \$100,000 must file, with the disbursing office a SF-LLL if they have or will use monies received for lobbying purposes. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- (j) **Miscellaneous Charges.** Miscellaneous charges, such as but not limited to storage and receiving are the sole responsibility of the producer requesting the MAL or commodity loan.

Example of CCC-601 (Continued)

CCC-601 (09-05-19)

Page 4 of 7

7. LIABILITY OF PRODUCER.

- (a) **Fraud or Conversion.** If the producer has made a fraudulent representation in obtaining the loan or has engaged in or aided in the conversion of the collateral, the producer will be liable for the amount of the loan, for any additional amounts paid to the producer, and for all costs which CCC would not have incurred had it not been for the fraudulent representation or conversion, plus interest on such amounts. In addition, CCC may assess liquidated damages, as specified in Section 6(g), and take other administrative actions, as determined by CCC, including denial of future farm-stored loans.
- (b) **Poisonous Substances and Contamination.** The producer will be liable for any damage resulting from tendering to CCC any commodity, whether or not accepted by CCC, containing mercurial compounds, toxin producing molds or other substances poisonous to humans or animals.
- (c) **Over-disbursement or Under-collection.** If the amount disbursed under the Note exceeds the amount authorized by the applicable regulations or a repayment made by the producer is insufficient to repay the amount due, the producer will be liable for repayment of such amounts and charges, if any, plus interest.
- (d) **Claims.** If the producer fails to settle the loan within 30 calendar days from the maturity date of the loan, or such other date as CCC may agree to, a claim for the amount due will be established in accordance with applicable statutes and regulations.
- (e) **Ineligible Commodities.** If at any time CCC determines that the commodity pledged as collateral is ineligible to be pledged as collateral for the loan, the producer shall be liable for the amount of the loan or if the producer repaid the loan at a rate less than the sum of the loan principal plus charges and interest for the ineligible quantity, the producer must repay to CCC the difference between such sum and the repayment amount, plus interest on such amounts. If the producer has received credit from CCC for storage, such amount must also be repaid. Ineligible commodities may not be delivered to CCC in satisfaction of the amount due, except as may be determined by CCC. If CCC allows the producer to deliver the commodity to CCC in satisfaction of the amount due, the value of the commodity shall be determined as specified by either Section 8(b) or 9(c).

8. FARM-STORED NONRECOURSE LOANS.

- (a) **General.** This section is applicable to a loan made with respect to collateral stored in CCC-approved storage under the control of the producer and not in a public warehouse.
- (b) **Settlement.** (i) If the producer elects to deliver the collateral to CCC in satisfaction of the amount due in accordance with Section 4, CCC will not accept delivery of any quantity of commodity in excess of 110 percent of the eligible outstanding loan quantity, at time of settlement, as determined by CCC. If a quantity in excess of the eligible quantity is included on the warehouse receipt tendered to CCC for such delivery, the producer shall provide for the correction of such warehouse receipt and other applicable documents. If the producer does not take action to correct such warehouse receipt, CCC shall provide for such corrected documents and any charges incurred by CCC shall be for the account of the producer. The collateral shall be delivered in bulk form except as determined by CCC. If the loan collateral is delivered to CCC in satisfaction of the amount due, in accordance with Section 4, the value of the collateral for purposes of settlement will be determined using the applicable schedules of premiums and discounts on the basis of the quality of the collateral for the quantity which is delivered to CCC. (ii) Settlement of corn is collateral will be made on a shelled corn basis. (iii) If the value of the collateral at settlement is less than the amount due because of any loss in quantity or quality of the collateral, the producer will pay to CCC the amount of such deficiency and charges, plus interest on such deficiency from the date of disbursement. (iv) If the value of the collateral at or subsequent to the time of settlement is greater than the amount due, CCC will retain such excess and will not pay such amount to any party. (v) If at any time prior to the maturity date of the loan the collateral can no longer be properly stored due to deterioration or for any other reason, the producer may authorize CCC to sell such collateral on behalf of the producer. (vi) Title to the collateral will vest in CCC only after delivery of the collateral to CCC in accordance with Section 4.

9. WAREHOUSE-STORED NONRECOURSE LOANS.

- (a) **General.** This section is applicable to a loan that has been made with respect to eligible commodities pledged as loan collateral which is stored in a warehouse approved by CCC.
- (b) **Rights of CCC.** At any time prior to the date CCC takes title to the collateral or the date the producer redeems such collateral, in order to protect its interest, CCC may move the collateral from one storage location to another storage location, take actions to protect or determine the quality of the collateral, or accelerate the maturity date of such loan. Any charges incurred by CCC as the result of such actions will be paid by the party redeeming such collateral.

Example of CCC-601 (Continued)

CCC-601 (09-05-19)

Page 5 of 7

- (c) **Settlement.** (i) If the producer elects to forfeit the collateral in satisfaction of the amount due in accordance with Section 4, the value of the collateral for purposes of settlement will be determined using the applicable schedules of premiums and discounts on the basis of the weight, grade, and other quality factors stated on the warehouse receipt or supporting documents. (ii) If the value of the collateral at or subsequent to the time of settlement is less than the amount due, the producer will pay to CCC the sum of the amount of such deficiency plus charges, and interest which has accrued on such deficiency from the date of disbursement. (iii) If the value of the collateral at settlement is greater than the amount due, CCC will retain such excess and will not pay such amount to any party. (iv) Title to the collateral will vest in CCC on the day following the loan maturity date. (v) CCC may elect to calculate such settlement values based on the net weight, good condition, and classification as reflected on the warehouse receipt delivered to CCC, whether such receipt is the receipt issued by the original storing warehouse and presented for calculating the loan amount or a receipt issued by a subsequent warehouse due to the transfer of such commodity while pledged as collateral for a CCC loan.
- (d) **Cotton EWR's.** For all bales on the cotton loan specified in the Note that are represented by an electronic warehouse receipt (EWR), the producer hereby: 1) acknowledges having exclusive authority to authorize and designate an entity to transfer holdership of EWR's to CCC; 2) authorizes the individual or entity that transfers holdership of EWR's to CCC for loan, in accordance with requirements of the EWR provider, to (a) establish at the direction of the producer an Electronic Agent Designation (EAD) for the loan cotton as identified on CCC-605, Designation of Agent, and (b) identify the loan cotton eligible for electronic redemption; 3) agrees that the designate agent, or any subsequent agent, identified by form CCC-605 or by the agent field of the EWR is authorized to repay the CCC loan obligation of the cotton; 4) requests and authorizes CCC to accept repayment from, and release loan collateral of the note to the individual or entity identified in the agent field of the EWR for the bales; 5) agrees to hold CCC harmless for any errors that may result from reliance on the information supplied by the producer, producer's agent, or subsequent agent through the EWR or otherwise; and 6) acknowledges that the loan may be removed from the EAD redemption process by specific request to the FSA County Office that processed the loan (see question on CCC-Cotton A-S).
- (e) **Cotton Loan Redemptions and Settlement.** (i) The amount by which an upland cotton loan repayment value may be reduced for the value of storage charges during the period of the loan shall be zero for any period the cotton is stored outside and shall otherwise be calculated based on the maximum payment rate determined for the warehouse and announced by CCC. Cotton shall be considered by CCC to be stored outside if it is stored outside any time during the period of the loan exceeding the 15-day period that starts with the first day the warehouse is notified the cotton is pledged as collateral for a CCC loan. (ii) If the producer elects to forfeit either upland cotton or ELS cotton loan collateral to CCC in satisfaction of the amount due in accordance with Section 1(a), the producer shall pay to CCC: (at rates that are specified in the storage agreement between the warehouse where the cotton is stored and CCC) (1) all warehouse storage charges associated with the forfeited cotton that accrued before the cotton was pledged as collateral for the loan; (2) any accrued warehouse receiving charges associated with the forfeited cotton, including, if applicable, charges for new bale ties, unpaid warehouse compression, or other charges as may be levied by the storing warehouse; and (3) Warehouse storage charges for periods of outside storage or charges that exceed the maximum storage credit rates for the loan period paid by CCC to the warehouse.
- (f) **Transfer of CCC Upland or ELS Cotton or Peanut Loan Collateral.** Collateral for an upland or ELS cotton or peanut marketing assistance loan may be transferred from a CCC-approved warehouse to another CCC-approved warehouse if CCC holds as security for the loan a warehouse receipt with respect to such commodity and the following terms and conditions of this subsection are met. (i) The producer may grant authorization to transfer loan collateral only to the agent designated and authorized by the producer to redeem all or a portion of the loan collateral. Any authorization to transfer loan collateral granted by the producer may be transferred by such agent of the producer to a subsequent agent as provided by the terms of applicable CCC forms. A producer is not obligated by CCC to grant authorization to transfer loan collateral as a condition of designating and authorizing any agent to redeem from loan all or a portion of the loan commodity. (ii) CCC will calculate any loan redemption for transferred cotton based on the credits, and charges with respect to the shipping warehouse under the transfer authorization. If a producer delivers transferred cotton to CCC in satisfaction of a loan obligation, CCC will settle such collateral delivery based on the charges effective at the receiving warehouse plus any unpaid charges at the shipping warehouse. (iii) As a condition for CCC to approve the transfer of cotton loan collateral, the requestor of a transfer, whether such requestor is the producer, or the producer's agent, must agree to pay all charges that may result from such transfer or intended transfer and be responsible for all losses of quantity or quality that result from the transfer. Despite any such agreement, the producer is responsible for any charges associated with the transfer of CCC cotton loan collateral including those that are not paid by any agent, or subsequent agent, the producer authorized to request such a transfer and who agreed to pay such charges. All such unpaid charges are for the account of the producer and shall not be charged to the outstanding balance of the loan obligation. CCC will not assume any liability for any charge associated with the transfer of any cotton loan collateral. (iv) The producer is responsible to CCC for all losses of quantity or quality associated with the transfer of CCC cotton loan collateral including unpaid losses on transfers made at the request of an agent of the producer even if the agent had agreed to pay such charges. CCC does not assume any loss in quantity or quality resulting from transfer of the loan collateral. (v) If at any time prior to the maturity date of the loan the collateral can no longer be properly stored due to deterioration or for any other reason, the producer may authorize CCC to sell such collateral on behalf of the producer. (vi) Title to the collateral will vest in CCC only after delivery of the collateral to CCC in accordance with Section 4.

Example of CCC-601 (Continued)

CCC-601 (09-05-19)

Page 6 of 7

10. RECOURSE LOANS.

- (a) **General.** CCC may make recourse loans available to eligible producers of high moisture corn, high moisture grain sorghum, seed cotton, and other commodities, as determined by CCC. If such loans are available, the producer is liable for the entire amount due and may not deliver the collateral to CCC in satisfaction of the amount due, except as may be determined by CCC.
- (b) **Availability of Nonrecourse Loans.** In limited circumstances, CCC may allow the producer to pledge as collateral for a nonrecourse loan the commodity which has been previously pledged as collateral for a recourse loan. The maturity date for such loans shall be as determined by CCC. If this option is made available by CCC, the producer must immediately repay the entire amount due under the recourse loan.
- (c) **High Moisture.** Producers of corn and grain sorghum who normally harvest all or a portion of their crop in a high moisture condition may obtain recourse loans from CCC. High moisture means moisture content in excess of: (i) for corn, 15.5 percent; and (ii) for grain sorghum, 14.0 percent. Producers of such high moisture commodities who deliver such commodities to a feedlot, feed mill, or commercial or on farm high moisture storage that does not meet CCC's requirements for approved storage may acquire, in the same county, a like quantity of such commodity to replace the applicable quantity of high moisture feed grains to obtain a loan. Such producers must: (i) complete the applicable CCC forms; and (ii) provide to CCC: (A) certified scale tickets which adequately describe the commodity, the weight of the commodity and the moisture content of the commodity; or (B) if such scale tickets are not available, measurements of the high moisture feed grain made while the commodity was in the field or in storage. Such loans will be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity not to exceed the quantity determined by multiplying: (i) the acreage of the feed grain in a high moisture condition harvested on the producer's farm; by (ii) the lower of the farm program yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grains were obtained.
- (d) **Seed Cotton.** The producer may, prior to the maturity date, with the written approval of CCC move seed cotton from the location where stored to a gin in order to gin such cotton and sell the cottonseed obtained therefrom. (i) If prior to the maturity date the amount due has not been paid, the producer will pay to CCC an amount equal to the proceeds obtained from the sale of the cottonseed and the lint cotton or, if a loan or loan deficiency payment is made by CCC with respect to the lint cotton, CCC will deduct the amount due from any such proceeds which are disbursed. (ii) If prior to the maturity date the amount due has not been paid or the collateral has not been ginned, the producer must, as instructed by CCC, move the collateral to a gin at the producer's expense. If the producer fails to move the collateral as instructed by CCC, CCC may enter the premises and remove, gin, and sell the collateral. Any proceeds from the sale of the collateral will be retained by CCC and applied to the amount due. (iii) If the amount due has not been paid and warehouse receipts have been issued with respect to lint cotton obtained from the collateral, the producer will deliver the receipts to CCC or allow CCC to obtain from any person such receipts. CCC may sell such cotton, if the amount due has not been paid by the maturity date.
- (e) **Discretionary Loans.** Commodities which are pledged as collateral for a non-recourse loan as provided in Sections 8 and 9 but which are determined to be ineligible to be pledged as collateral for such a loan due to the quality of the commodity or other factors affecting value of the commodity; or the storage of the commodity is unapproved storage, may, at CCC's sole discretion, be pledged as collateral for a recourse loan.
- (f) **Settlement.** (i) If CCC allows the producer to deliver to CCC in satisfaction of the amount due the quantity of the collateral which is described in the Note, the value of the collateral for purposes of settlement will be equal to the proceeds received from the sale or barter of the commodity. Title to the collateral will vest in CCC only after delivery of the collateral to CCC in accordance with Section 4. (ii) If the value of the collateral at settlement is less than the amount due, the producer will pay to CCC the amount of such deficiency plus charges, and applicable interest with respect to such deficiency from the date of disbursement. (iii) If the proceeds received from the sale or barter of the commodity are greater than the sum of the amount due plus any costs incurred by CCC in conducting the sale of the commodity, the amount of such excess will be paid to the producer or, if applicable, to any secured creditor of the producer.

Example of CCC-601 (Continued)

CCC-601 (09-05-19)

Page 7 of 7

11. ADMINISTRATIVE AND JUDICIAL REVIEW.

The producer may obtain an administrative hearing in accordance with 7 CFR Part 780 with respect to a dispute arising between CCC and the producer concerning the Note, and must exhaust such administrative remedy prior to initiating a judicial action in a court of competent jurisdiction.

12. DISCLOSURE TO PRODUCERS.

CCC, in its capacity as lien holder of collateral pledged commodities, may share non private information with potential buyers of these commodities. This information may include, but not be limited to, loan quantity and principal.

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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agricultural Act of 2014 (7 U.S.C. 9031 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334), 7 CFR Part 1421, 7 CFR Part 1427, and 7 CFR Part 1436. The information will be used to determine eligibility to participate in and receive benefits under a CCC loan program through documentation of producer acknowledgement of, and agreement to, the terms and conditions of the CCC note and security agreement. 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 described in Routine Uses identified in the USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under a CCC loan program.

Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

Example Letters

A References for Example Letters

This exhibit provides examples of notification, demand for amounts due, denial of benefits, and violation letters. Use this table to determine the applicable letter to be sent and subparagraph reference for any additional remarks. See paragraph 20 for producer appeals and 1-APP for appropriate and current appeal language.

If the loan type is:

- farm-stored nonrecourse loan, see Exhibit 18
- warehouse nonrecourse loan, see Exhibit 34
- recourse loan, see Exhibit 19
- distress loan, see Exhibit 13.

Example Letters (Continued)

A References for Example Letters (Continued)

Actions for Loan and LDP Problems or Violations			
Type of Letter	Notification Letter	Subsequent Actions	Paragraph Reference
Notification of a potential loan or LDP problem, that may result in calling the loan, refunding an LDP, or selling the collateral to the highest bidder for: • commodities ineligible for delivery or forfeiture • discrepancies found because of spot check • quantity shortages within tolerance • storability or quality problems • storage structure damage • other conditions, as applicable.	On the date of discovery, County Office shall: • send letter in subparagraph M • do not include appeal rights because no adverse decision has yet been made.	On date of COC determination, send letter in subparagraph F that includes appeal rights. If the amount owed is not repaid in 30 calendar days from the date of the letter, County Office shall: • transfer amount due CCC through APSS using the “Transfer to Claims” option according to 12-PS • establish a receivable in NRRS according to 64-FI • if appealed, change the status of the receivable to “Open - Appeal” so that subsequent letters will not be sent from NRRS. Note: Change status back to “Open” when appeal concluded. Applicable letter for amount due CCC will be generated through NRRS, and offsets will be taken from any payments due the producer.	203, 225, 233, 318, 319, 322, 323, 337, 401, 410, 617

Example Letters (Continued)

A References for Example Letters (Continued)

Actions for Loan and LDP Problems or Violations (Continued)			
Type of Letter	Notification Letter	Subsequent Actions	Paragraph Reference
Notification from a COC employee for loan and LDP violations to be sent to a producer with discrepancies and/or the producer has violated the terms and conditions of the applicable forms, such as: • quantity shortages exceeding tolerance • unauthorized removal or disposition • incorrect certification • fraudulent representations, including misrepresenting the eligibility of the commodity. Note: Refer cases involving COC members to STC for a determination.	On the date of discovery, County Office shall send letter in subparagraph N. COC must: • initially assume lack of good faith in cases involving unauthorized disposition • assess liquidated damages and other administrative actions • include language to appeal to COC.	If no response from producer within 30 calendar days, follow paragraph 410, sending letter in subparagraph 410 G. If the producer responds within 30 calendar days, but does not appeal, and COC determines: • good faith, follow subparagraph 410 B and send letter in subparagraph 410 E • lack of good faith, follow subparagraph 410 C and send the applicable letter from subparagraphs 410 F, 410 G, 410 H, or 410 I. If appealed, follow paragraph 20. If the amount owed is not repaid in 30 calendar days from the date of the letter, County Office shall: • transfer amount due CCC through APSS using the “Transfer to Claims” option according to 12-PS • establish a receivable in NRRS according to 64-FI • if appealed, flag the receivable as “Open - Appeal” so that subsequent letter will not be sent from NRRS. Note: Release flag when appeal concluded. Applicable letter for amount due CCC will be generated through NRRS, and offsets will be taken from any payments due the producer.	400, 401, 410, 746

Example Letters (Continued)

A References for Example Letters (Continued)

Actions for Loan and LDP Problems or Violations (Continued)			
Type of Letter	Notification Letter	Subsequent Actions	Paragraph Reference
Notification of accelerating loan maturity, loan call or refund of entire LDP.	On the date of COC determination, County Office shall send letter in subparagraph O.	See actions for demand letter of loan call or refund of entire LDP in the following “ Demand ” table row.	321, 323
Demand for accelerating loan maturity, loan call or refund of entire LDP.	For a loan call, if the producer has not repaid the loan by the revised maturity date, County Office shall send letter in subparagraph P on the day after the revised maturity date, as follows: • if being delivered to CCC with CCC-691 • if a local sale, recourse, or distress loan, proceed with a local sale according to paragraphs 856 through 862. For both options, in APSS: • compute the total principal and interest on the day after the accelerated maturity date • screen print the total amount due and retain in the loan folder. For refund of entire LDP, send letter in subparagraph P, 30 calendar days after letter in subparagraph O was sent.	For an accelerated maturity date or loan call, follow “Subsequent Actions” under the applicable loan type in the “Action for Maturing MAL’s” table, by either the expiration date of CCC-691 or 30 calendar days after the letter in subparagraph P was sent. For refund of entire LDP, if not paid in full by 30 calendar days after letter in subparagraph P was sent, County Office shall cancel the original eLDP according to 15-PS, where a receivable will be established in NRRS. Applicable letter for amount due CCC will be generated through NRRS, and offsets will be taken from any payments due the producer.	322, 323, 400, 410

Example Letters (Continued)

A References for Example Letters (Continued)

Action for Miscellaneous Loan Related Amounts Due CCC			
IF type of amount due is...	THEN...	AND subsequent action is...	Paragraph Reference
dishonored checks	when notified from FSC or bank that a check has been dishonored, County Offices shall follow procedure in paragraph 702, 3-FI, and 64-FI for applicable action. Note: NRRS automatically: • adds the dishonored check fee to the receivable • sends applicable demand and notification letters.	NRRS shall send all subsequent demand letters. County Offices shall apply any collections/repayments to receivable in NRRS.	702

Example Letters (Continued)

A References for Example Letters (Continued)

Action for Miscellaneous Loan Related Amounts Due CCC			
IF type of amount due is...	THEN...	AND subsequent action is...	Paragraph Reference
for the following: • overpayment or overdisbursement • determination of a loan or LDP discrepancy • disposition or production evidence not provided • short disposition or production evidence • insufficient value or excess sales price.	on the date of determination, County Offices shall send letter in subparagraph F that includes appeal rights	County Office shall, 30 calendar days after letter in subparagraph F is sent: • transfer amount due CCC through APSS using the “Transfer to Claims” option according to 12-PS • establish a receivable in NRRS according to 64-FI • if appealed, flag the receivable as “Open - Appeal”, so that subsequent letters will not be sent from NRRS. Note: Release flag when appeal concluded. Applicable letters for amount due CCC will be generated through NRRS, and offsets will be taken from any payments due the producer.	338, 339, 617, 702

Miscellaneous Notification Letters for Loans and LDP's		
IF denial notification letters is...	THEN on date of determination County Office shall send letter in...	Paragraph Reference
because loss of beneficial interest and the loss is not appealed or disputed Note: Producers may appeal the beneficial interest determination, but not the policy requiring denial of benefits if beneficial interest was lost.	subparagraph K.	228
from a COC employee of loan or LDP benefits, if producer of commodity is determined ineligible	subparagraph L.	503, 1009

Example Letters (Continued)

B Farm-Stored Nonrecourse Loan 45-Calendar-Day Maturity Notification Letter

See Exhibit 7, subparagraph E.

C Warehouse-Stored Nonrecourse Loan Maturity Letter

See Exhibit 8, subparagraph C.

D Recourse Loan 45-Calendar-Day Maturity Reminder Letter

See Exhibit 9, subparagraph C.

E Distress 45-Calendar-Day Loan Maturity Letter

See Exhibit 10, subparagraph C.

Example Letters (Continued)

F Initial Notification Letter for Loan and LDP Overpayment, Overdisbursements, and Amounts Due

(Date) Producer's Name Address City, State, ZIP Code Dear (Producer's Name): This is to notify you that the Farm Service Agency has determined that you have a debt arising from: (Insert explanation and pertinent facts.) The amount you owe consists of: <table border="0" style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 25%;">Principal</td> <td style="width: 25%;">Interest</td> <td style="width: 25%;">Other Charges</td> <td style="width: 25%;">Total</td> </tr> <tr> <td>(Insert Amount)</td> <td>(Insert Amount)</td> <td>(Insert Amount)</td> <td>(Insert Amount)</td> </tr> </table> If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the County Office Committee (COC) by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the COC, you have the right to an informal hearing that you or your representative may attend either personally or by telephone. If you appeal this determination to the COC, you may later appeal an adverse determination of the COC to the FSA State Office Committee or National Appeals Division. To appeal, write to the COC at the above address and explain why you believe this determination is erroneous. You may contact this office to review records related to this debt or to receive an explanation of the debt. You may obtain a copy of the records, subject to a copying charge. Interest will continue to accrue on this debt until paid in full. You may pay your debt by check payable to "Commodity Credit Corporation" and mail the check to this office at the address above. We want to work with you to resolve this matter. Depending upon your situation, there is the possibility of paying this debt in installments. If this debt is not resolved, this agency reserves the right to use all additional collection actions available to recover the debt. The debt may be collected by internal administrative offset from any CCC or FSA payments that may be due you. Additional action that may be taken to recover the debt include the assessment of late payment interest, administrative costs, and penalties; administrative wage garnishment; collecting the debt by offset of eligible federal payments and state payments, including any income tax refunds; referring the debt for litigation (if collection administratively is unsuccessful); and reporting the debt to the Internal Revenue Service if the debt or any portion of the debt, is discharged, Once your debt is more than 180 days delinquent, we are required to refer the debt to the Department of Treasury for collection. Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures. If you should need further assistance, please feel free to contact the FSA Service Center. Sincerely, County Executive Director _____ County FSA Office	Principal	Interest	Other Charges	Total	(Insert Amount)	(Insert Amount)	(Insert Amount)	(Insert Amount)	UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY _____ COUNTY FSA OFFICE ADDRESS CITY, STATE, ZIP CODE
Principal	Interest	Other Charges	Total						
(Insert Amount)	(Insert Amount)	(Insert Amount)	(Insert Amount)						

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Example Letters (Continued)

G Demand Letter for Nonrecourse Loans Open After Maturity

See Exhibit 7, subparagraphs A through D, F, and G.

H Demand Letter for Recourse or Distress Loans Open After Maturity

See Exhibit 9 and 10, subparagraphs A, B, and D.

I Demand Letter (No Appeal)

The content for this demand letter is forthcoming.

J Demand Letter (Appeal)

The content for this demand letter is forthcoming.

Example Letters (Continued)

K Denial Notification Because Loss of Beneficial Interest and the Loss is Not Appealed or Disputed

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY _____ COUNTY FSA OFFICE ADDRESS CITY, STATE, ZIP CODE (Date) Producer's Name Address City, State, ZIP Code Dear (Producer's Name): The Farm Service Agency (FSA) was unable to approve your request for a (year) crop (commodity) (loan/LDP) because (insert facts used to determine the producer had lost beneficial interest in the commodity) _____ _____ _____ The COC has determined that the issue is not appealable. You may seek a review of this determination by filing either the FSA State Executive Director or the NAD Director a written request no later than 30 calendar days after the date you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780 or the NAD appeal procedures found at 7 CFR Part 11. If you believe that this issue is appealable, you must write either the FSA State Executive Director or the NAD Director at the applicable address shown and explain why you believe this determination is appealable. If you choose to seek an appealability review of this determination with the FSA State Executive Director, you need not send the NAD Director any information. If you seek an appealability review with the NAD Director, provide FSA a copy of your request. In the event you request an appealability review by the State Executive Director and the State Executive Director determines that the issue is not appealable, you will be afforded the right to request an appealability review by the NAD Director. (Insert SED and NAD address.) You may contact the County Office to receive a copy of the documents related to this determination. Sincerely, County Executive Director _____ County FSA Office USDA is an Equal Opportunity Provider and Employer

Example Letters (Continued)

L Denial of Loan or LDP Benefits Letter

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY _____ COUNTY FSA OFFICE ADDRESS CITY, STATE, ZIP CODE (Date) Producer's Name Address City, State, ZIP Code Dear (Producer's Name): FSA is unable to approve your request for a (year) crop (commodity) (loan/LDP) because _____ _____ _____ You may, during the loan availability period, request a: • farm- or warehouse-stored recourse loan • LDP (do not include if LDP benefits denied). Should you choose to move the commodity into a warehouse approved to store CCC loan collateral, you must provide a negotiable warehouse receipt for the commodity to the county Office with your loan request to obtain a loan. (Include the following if LDP benefits are denied because of AGI.) You may during the loan availability period, request a nonrecourse loan if all eligibility requirements are met. You may appeal this determination to the County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with FSA appeal procedures found at 7 CFR Part 780. If you appeal to the County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the County Committee, you may later appeal an adverse determination of the County Committee to the FSA State Committee or the National Appeals Division. To appeal, write to the County committee at the following address and explain why you believe this determination is erroneous. (Insert COC address.)

Example Letters (Continued)

L Denial of Loan or LDP Benefits Letter (Continued)

You may request that the **(insert COC, FLO, FLM, SED, or STC, as applicable)** reconsider this determination by filing a written request no later than 30 calendar days after you receive this notice according to FSA's appeal procedures found at 7 CFR Part 780. If you request reconsideration, you have the right to an informal hearing with **(insert COC, FLO, FLM, SED, or STC), as applicable)** that you or your representative may attend personally or by telephone. If you choose to seek reconsideration, you may later appeal the determination to **(insert STC or NAD, as applicable)**. To request reconsideration, write to **(insert COC, FLO, FLM, SED, or STC, as applicable)** at the following address and explain why you believe this determination is erroneous. **(Insert applicable address.)**

You may contact the County Office to receive a copy of the documents related to this determination.

Sincerely,

County Executive Director

_____ County FSA Office

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Example Letters (Continued)

M Notification of Loan and LDP Problem

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY _____ COUNTY FSA OFFICE ADDRESS CITY, STATE, ZIP CODE				
(Date)				
Producer's Name Address City, State, ZIP Code				
Dear (Producer's Name):				
(Explain the problem\situation that may result in the acceleration of the loan maturity date or request for refund of the loan or LDP amount. Include the loan or LDP number and the amount due.)				
The following must be provided within 30 calendar days from the date of this letter or your (select the applicable: loan will be called, LDP must be refunded, or loan collateral will be sold):				
(Select and insert the applicable information.)				
• Evidence for the missing quantity • Repayment for the missing quantity • Repayment for the ineligible quantity • Disposition or production evidence for the quantity repaid on which an LDP was received • Specify other conditions, as applicable.				
The amount you owe consists of:				
<table style="width: 100%; border: none;"><tr><td style="text-align: center; width: 25%;">Principal</td><td style="text-align: center; width: 25%;">Interest</td><td style="text-align: center; width: 25%;">Other Charges</td><td style="text-align: center; width: 25%;">Total Amount Due</td></tr></table>	Principal	Interest	Other Charges	Total Amount Due
Principal	Interest	Other Charges	Total Amount Due	
Interest will continue to accrue at a rate of _____% until the total amount due is repaid. The amount shown above has been recorded for offset from any FSA, CCC or other Federal Agency payment, which may be due you.				
(Select and insert the applicable Exhibits)				
For Loans:				
(If nonrecourse loans, enter)				

Example Letters (Continued)

M Notification of Loan and LDP Problem (Continued)

You may (~~deliver~~**forfeit**) the loan collateral remaining in storage, in accordance with the note and security agreement, if you choose not to repay the amount due. **(Delivery instructions on CCC-691 will be issued /or the commodity will be forfeited)** on **(the 31st calendar day from the date of this letter)**, if you fail to take the required actions.

(If recourse loans and loans ineligible for delivery because of ineligibility of the producer or the commodity, enter)

The loan collateral will be sold to the highest bidder, if you choose not to repay the amount due.

(If LDP's enter)

The LDP amount must be refunded if you fail to take the required action.

During these 30 calendar days, you may also inspect and copy records at the above address that relate to this determination.

Our records do not indicate that you have filed for bankruptcy protection. If you have filed for bankruptcy, please notify this office as soon as possible so that we may update our records to reflect the bankruptcy, and proceed to resolve this debt in accordance with bankruptcy procedures.

We want to work with you to resolve this matter. Depending upon your situation, there is the possibility of paying this debt in installments. If you have any questions regarding this matter, please do not hesitate to contact us.

If you should need further assistance, please feel free to contact the FSA Service Center.

Sincerely,

County Executive Director

_____ County FSA Office

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Example Letters (Continued)

N Notification of Loan and LDP Violation

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY _____ COUNTY FSA OFFICE ADDRESS CITY, STATE, ZIP CODE						
(Date) Producer's Name Address City, State, ZIP Code RE: (enter crop year, commodity, and loan or LDP number) Dear (Producer's Name): (Describe the circumstances that appear to involve a loan violation.) This is a violation of the loan note and security agreement or LDP provisions. The following actions are applicable to (loan/LDP) violations: (Enter the items applicable to the loan or LDP violation) • The maturity date of the loan is accelerated to (enter 30th day from date of this letter) • LDP must be refunded, plus applicable interest • Liquidated damage penalties are assessed on (enter the violation quantity) • To deny future farm-stored loans and LDP's without production evidence for ____ months (COC option) • (enter the remaining loan quantity, if nonrecourse loan) may be forfeited to CCC, or repay the loan at principal plus interest • (enter the remaining loan quantity, if recourse loan) must be repaid at principal and charges plus interest. The following amounts are due (enter the amounts as applicable): <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Principal or LDP Amount</td> <td style="width: 33%;">Interest</td> <td style="width: 33%;">Liquidated Damages (at 10%)</td> </tr> <tr> <td>Market Gain</td> <td>Other Charges Paid by CCC</td> <td>Total Amount</td> </tr> </table>	Principal or LDP Amount	Interest	Liquidated Damages (at 10%)	Market Gain	Other Charges Paid by CCC	Total Amount
Principal or LDP Amount	Interest	Liquidated Damages (at 10%)				
Market Gain	Other Charges Paid by CCC	Total Amount				

Example Letters (Continued)

N Notification of Loan and LDP Violation

Interest will continue to accrue at a rate of _____% until the total amount due is repaid. The amount shown above has been recorded for offset from any FSA, CCC, or other Federal Agency payment, which may be due you.

We want to work with you to resolve this matter. Depending upon your situation, there is the possibility of paying the debt in installments. If you have any questions regarding this matter, please do not hesitate to contact us.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the county Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780.

If you appeal to the County Committee, you have the right to an informal hearing which you or your representative may attend either personally or by telephone. If you appeal this determination to the County Committee, you may later appeal an adverse determination of the County Committee to the FSA State Committee or National Appeals Division (NAD). To appeal, write to the County Committee at the following address and explain why you believe this determination is erroneous. **(Insert COC address.)**

You may contact the County Office to receive a copy of the documents related to this determination.

If you should need further assistance, please feel free to contact the FSA Service Center.

Sincerely,

County Executive Director

_____ County FSA Office

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Example Letters (Continued)

O Notification Letter for Accelerating Loan Maturity, Loan Call or Refund of Entire LDP

The following is an example of the notification letter for accelerating loan maturity, loan call or refund of entire LDP.

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY ____ COUNTY FSA OFFICE ____ ADDRESS CITY, STATE, ZIP CODE (Date) Producer's Name Address City, State, ZIP Code RE: (enter crop year, commodity, and loan or LDP number) Dear (Producer's Name): (Select and insert the pertinent facts and information for calling the loan.) • (Nonrecourse loans or LDP's enter) You were previously notified on (date of the notification letter of a potential loan/LDP problem or violation) of the problem or violation with respect to the (select as applicable) loan/LDP. Based upon (enter pertinent facts considered by the COC), the County Committee has determined (enter as applicable) to accelerate the maturity date of your loan/you must request a refund of the entire LDP amount. The (enter as applicable) accelerated maturity date is/LDP amount must be refunded by (30 days from the date of this letter). Because CCC's interest is not protected, the loan is due immediately and must be paid with cash on or before the accelerated maturity date, or deliver the loan commodity to CCC. The principal and charges, plus interest, are due and payable on or before (maturity date). Interest will continue to accrue until the amount due is repaid. Delivery instructions on CCC-691, Commodity Delivery Notice, will be issued on the day after maturity if a reply is not received from you by (maturity date). The following apply if the principal and charges, plus interest, are not repaid by (maturity date) or delivery of the loan collateral is not completed by the expiration date or extended expiration date of CCC-691: • foreclosure proceedings will begin • the amount due will be recorded for offset from any FSA or CCC payment due you • a receivable will be established.

Example Letters (Continued)

O Notification Letter for Accelerating Loan Maturity, Loan Call or Refund of Entire LDP (Continued)

• **(Recourse loans)**

You were previously notified on **(date of initial notification letter)** of a potential problem regarding your **(year)**-crop **(commodity type)** loan **(number)** and the possibility of accelerating the maturity date **(maturity date)**. Based upon **(enter pertinent facts considered by the COC)**, the County Committee has determined to accelerate the maturity date to **(30 days from the date of this letter.)** The only option available on or before the loan maturity date is to repay the principal and charges, plus interest, with cash.

Interest will continue to accrue until the amount due is repaid. The following apply if the loan is not repaid by **(maturity date)**:

- foreclosure proceedings will begin
- the collateral will be sold to the highest bidder
- the amount due will be recorded for offset from any FSA or CCC payment due you.

Please indicate your intentions on the enclosed sheet, and sign, date, and return to the address shown above on or before **(maturity date)**. **(Select the applicable indication response to be enclosed.)**

Make your check payable to “*Commodity Credit Corporation*” and send it to this office at the address shown above. If you are unable to pay the debt in full now, you may qualify to establish a mutually acceptable repayment agreement and pay in installments. To find out if you qualify for installment payments, submit a written request to this office and include information about your income, expenses, assets and liabilities.

Principal or LDP Amount	Interest	Liquidated Damages (at 10%)
Market Gain	Other charges Paid by CCC	Total Amount

The amount shown above has been recorded for offset from any FSA, CCC or other Federal Agency payment, which may be due you.

If a debt is not paid within the next 30 calendar days, the debt will be past due and a receivable will be established on a debt record. Late payment interest will accrue on the debt at the rate of ____% per annum from the date of this letter until the debt is paid in full or otherwise resolved. FSA will waive late payment interest on the debt (or any part of the debt) that is paid in the next 30 calendar days. If the matter is not resolved within 90 calendar days from the date of this letter, an additional 3% interest will be assessed on the unpaid balance on the debt retroactively from the date of this letter.

If payment in full or arrangements to pay the debt in full are not made within 60 calendar days from the date of this letter, the debt will be transferred to the Financial Services Center (FSC) in Kansas City for further handling. If the debt remains unresolved, FSC will refer the delinquent debt to the Department of Treasury for collection and inclusion in the Treasury Offset Program (TOP). The Department of Treasury will collect the debt by offset of any eligible Federal or State payments, including any income tax refund, to which you may be entitled.

Example Letters (Continued)

**O Notification Letter for Accelerating Loan Maturity, Loan Call or Refund of Entire LDP
(Continued)**

Because this debt may be collected by offset of your Federal income tax refund, you may present evidence that all or part of the debt is not past due or legally enforceable. To do so, submit to this office within 60 calendar days from the date of this letter a written explanation of your position that the debt or part of the debt is not past due or legally enforceable, and include documentation to support your position. Also, if the debt is not resolved within the next 30 calendar days, information about this debt, including your name, address, taxpayer identification number, debt amount, date of delinquency, debt status, history of the debt, and the program under which the debt arose, may be disclosed to credit reporting agencies after 60 calendar days from the date of this letter.

Further actions may be taken by this Agency and the Department of Treasury to collect the delinquent debt if it is not resolved. The collection actions are authorized under Federal law and regulations, including the Debt Collection Improvement Act of 1996 (DCIA). Additional actions that may be taken to recover the debt include:

- Assessment of interest, administrative costs, and penalties
- Administrative garnishment of wages
- Referral of the debt to private collection agencies and Treasury-designated collection centers
- Referral of the debt to Agency counsel or Department of Justice for litigation
- Reporting the debt to Internal Revenue Service if the debt, or any portion of the debt, is discharged.

We are required under Federal law to refer the debt to the Department of Treasury for collection when the debt is 180 calendar days delinquent. However, the debt may be referred to the Department of Treasury sooner than 180 calendar days.

Our records do not indicate that you have filed for bankruptcy protection. If you filed for bankruptcy, please notify this office as soon as possible so that we may update our records to reflect the bankruptcy, and proceed to resolve this debt in accordance with bankruptcy procedures.

(Insert the applicable appeal language for reconsideration to COC. Appeal to STC, alternate dispute resolution, and appeals to NAD according to 1-APP, paragraph 14.)

Please contact this office at the address shown above if you have any questions. We want to work with you to resolve this debt and to discuss repayment options, if necessary. If your debt is paid or otherwise resolved quickly, it will not be referred to the Department of Treasury for collection, nor will it be reported to credit reporting agencies.

Sincerely,

County Executive Director

_____ County FSA Office

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Example Letters (Continued)

O Notification Letter for Accelerating Loan Maturity, Loan Call or Refund of Entire LDP (Continued)

Before mailing the notification call letter for a **nonrecourse loan** to producer:

- enter data specific to the loan
- remove options not applicable to the loan
- include the following data, modified as applicable, on a separate sheet and enclose with the maturity notification letter.

Producer's Name _____
Loan Number _____
Crop Year _____
Commodity _____
Maturity Date _____

I INTEND TO DO THE FOLLOWING WITH THE LOAN IDENTIFIED ABOVE (circle one):

- REPAY WITH CASH.
- DELIVER THE ELIGIBLE COMMODITY TO CCC. (Please specify preferred delivery location.)

_____ (Producer's Signature)	_____ (Date)

Please return this intention by (maturity date).

Mail to: (County Name) County FSA Office
(Mailing Address)
(City, State, ZIP Code)

Example Letters (Continued)

O Notification Letter for Accelerating Loan Maturity, Loan Call or Refund of Entire LDP (Continued)

Before mailing the notification call letter for a **recourse loan** to producer:

- enter data specific to the loan
- include the following data, modified as applicable, on a separate sheet and enclose with the maturity notification letter.

Producer's Name _____	
Loan Number _____	
Crop Year _____	
Commodity _____	
Maturity Date _____	
I INTEND TO, ON OR BEFORE THE LOAN MATURITY DATE, FOR THE LOAN IDENTIFIED ABOVE, REPAY THE LOAN PRINCIPAL PLUS INTEREST WITH CASH.	
_____ (Producer's Signature)	_____ (Date)
Please return this intention by (maturity date).	
Mail to: (County Name) County FSA Office	
(Mailing Address)	
(City, State, ZIP Code)	

Example Letters (Continued)

P Demand Letter for Accelerating Loan Maturity, Loan Call or Refund of Entire LDP

The following is an example of the demand letter for accelerating loan maturity, loan call or refund of entire LDP.

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY _____ COUNTY FSA OFFICE ADDRESS CITY, STATE, ZIP CODE (Date) Producer's Name Address City, State, ZIP Code RE: (enter crop year, commodity, and loan or LDP number) Dear (Producer's Name): (Select and insert the applicable information) • (Nonrecourse loans or LDP's enter) You were previously notified on (date of the notification letter of a loan/LDP problem or violation) that the situation with respect to the (select as applicable) loan/LDP requiring the (enter as applicable) acceleration of the maturity date for your loan or refund of the entire LDP amount. You were given the opportunity to appeal the administrative action if the loan was not repaid by maturity. Your administrative options are now concluded. Therefore, the loan has matured and the debt has not been repaid. The CCC-691, Commodity Delivery Notice, which includes delivery instructions, is enclosed. Delivery of the commodity must be completed by the final date to deliver as shown on the CCC-691. Contact this office if the delivery will be delayed. In limited circumstances, an extension of time may be approved. Interest will continue to accrue until the amount due is repaid. The following apply if the principal and charges plus interest, \$ _____ as of the date of this letter, are not repaid or delivery of the loan collateral is not completed on or before the 30th calendar day after the expiration or extended expiration date of the CCC-691: • foreclosure proceedings will begin • the amount due will be recorded for offset from any FSA or CCC payment due you • a receivable will be established. If the value of the commodity delivered does not liquidate the outstanding balance, you will be expected to remit the deficiency promptly upon notification by CCC.

Example Letters (Continued)

**P Demand Letter for Accelerating Loan Maturity, Loan Call or Refund of Entire LDP
(Continued)**

• **(Recourse loans)**

You were previously notified on **(date of initial notification letter)** that your **(year)**-crop **(commodity type)** loan **(number)** was due and payable on or before **(maturity date)**. You were advised that you owe \$_____, plus interest as applicable. You were given the opportunity to appeal the administrative action if the loan was not repaid by maturity. Your administrative options are now concluded. Therefore, the loan has matured and the debt has not been repaid. **(Select and insert the following applicable action:** Foreclosure proceedings will begin; **or** the loan collateral will be sold if the total amount of this debt is not paid timely.)

Make your check payable to “*Commodity Credit Corporation*” and send it to this office at the address shown above. If you are unable to pay the debt in full now, you may qualify to establish a mutually acceptable repayment agreement and pay in installments. To find out if you qualify for installment payments, submit a written request to this office and include information about your income, expenses, assets and liabilities.

Principal or LDP Amount	Interest	Liquidated Damages (at 10%)
Market Gain	Other charges Paid by CCC	Total Amount

The amount shown above has been recorded for offset from any FSA, CCC or other Federal Agency payment, which may be due you.

If a debt is not paid within the next 30 calendar days, the debt will be past due and a receivable will be established on a debt record. Late payment interest will accrue on the debt at the rate of _____% per annum from the date of this letter until the debt is paid in full or otherwise resolved. FSA will waive late payment interest on the debt (or any part of the debt) that is paid in the next 30 calendar days. If the matter is not resolved within 90 calendar days from the date of this letter, an additional 3% interest will be assessed on the unpaid balance on the debt retroactively from the date of this letter.

If payment in full or arrangements to pay the debt in full are not made within 60 calendar days from the date of this letter, the debt will be referred to the Financial Services Center (FSC) in Kansas City for further handling. If the debt remains unresolved, FSC will refer the delinquent debt to the Department of Treasury for collection and inclusion in the Treasury Offset Program (TOP). The Department of Treasury will collect the debt by offset of any eligible Federal or State payments, including any income tax refund, to which you may be entitled.

Because this debt may be collected by offset of your Federal income tax refund, you may present evidence that all or part of the debt is not past due or legally enforceable. To do so, submit to this office a written explanation within 60 calendar days from the date of this letter of your position that the debt or part of the debt is not past due or legally enforceable, and include documentation to support your position.

Also, if the debt is not resolved within the next 30 calendar days, information about this debt, including your name, address, taxpayer identification number, debt amount, date of delinquency, debt status, history of the debt, and the program under which the debt arose, may be disclosed to credit reporting agencies after 60 calendar days from the date of this letter.

Example Letters (Continued)

**P Demand Letter for Accelerating Loan Maturity, Loan Call or Refund of Entire LDP
(Continued)**

Further actions may be taken by this Agency and the Department of Treasury to collect the delinquent debt if it is not resolved. The collection actions are authorized under Federal law and regulations, including the Debt Collection Improvement Act of 1996 (DCIA). Additional actions that may be taken to recover the debt include:

- Assessment of interest, administrative costs, and penalties
- Administrative garnishment of wages
- Referral of the debt to private collection agencies and Treasury-designated collection centers
- Referral of the debt to Agency counsel or Department of Justice for litigation
- Reporting the debt to Internal Revenue Service if the debt, or any portion of the debt, is discharged.

We are required under Federal law to refer the debt to the Department of Treasury for collection when the debt is 180 calendar days delinquent. However, the debt may be referred to the Department of Treasury sooner than 180 calendar days.

Our records do not indicate that you have filed for bankruptcy protection. If you filed for bankruptcy, please notify this office as soon as possible so that we may update our records to reflect the bankruptcy, and proceed to resolve this debt in accordance with bankruptcy procedures.

Please contact this office at the address shown above if you have any questions. We want to work with you to resolve this debt and to discuss repayment options, if necessary. If your debt is paid or otherwise resolved quickly, it will not be referred to the Department of Treasury for collection, nor will it be reported to credit reporting agencies.

Sincerely,

County Executive Director

_____ County FSA Office

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Example Letter

*--Q Example of SBA LM Letter

SBA will forward a copy of the “LM” letter and UCC-3 to the FSA requestor to advise that SBA EIDL does not secure the items listed on the MAL lien waiver request, but UCC-3 is not effective until filed.

U.S. SMALL BUSINESS ADMINISTRATION Disaster Assistance Processing and Disbursement Center 14925 Kingsport Road Fort Worth, Texas 76155	833-853-5638 Hearing Impaired 800-877-8339
 September 20, 2021	
 John Smith, Owner/Officer ZZZ FARMS 123 MAIN ST ANYWHERE, IA 33333	
 RE: SBA Disaster Loan Application Number: 3300000001 SBA EIDL Loan Number: 1234567890	
 Dear John Smith :	
We received your request to obtain a Marketing Assistance Loan from the USDA, Farm Service Agency, Commodity Credit Corporation (CCC) for the following Commodity: SOYBEANS – Crop Year: 2023. This correspondence serves to amend the language of the collateral security for your EIDL to specifically exclude “All Farm Products, including Crops, Livestock and other Agricultural Commodities, and/or the proceeds from any sale of these items.” As this loan was secured by a UCC-1 Financing Statement, this letter serves as authorization for you to file a UCC-3 Amendment for Restatement of the UCC-1 with the respective state filing office that will amend the language of the collateral security associated with this loan. The UCC-3 must be filed for an amendment of the UCC-1 to be effective. Please see below UCC filing information as reference: UCC filed on 07/25/2020 in IOWA - (S.O.S.) with filing number: 123456789012 207797851319 You may visit your respective state UCC filing office website for information on filing the UCC-3. This letter is a permanent amendment to your Loan Authorization and Agreement. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED. If you have any questions, please contact us at the toll-free number listed above. Sincerely, COVID EIDL Servicing Center The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Protection Act. The Federal agency that administers compliance with this law concerning this creditor is the Consumer Response Center, Federal Trade Commission, Washington, D.C. 20580. SBA Form Loan Modification	

--*

MAL, CCE, Market Loan Gain, and LDP Eligibility Requirements

The following table lists the specific eligibility requirements **required** for MAL disbursements and principal and interest repayments, CCE's, MAL market loan gain repayments, and LDP's, and the forms required by final loan or LDP availability date, except where otherwise noted.

	Form required before:		
Eligibility Requirement	MAL Disbursement and Principal and Interest Repayment and CCE	MAL Market Loan Gain Repayment	LDP Approval
FSA-578 on file showing share in requested commodity.	FSA-578	FSA-578	FSA-578
Actively engaged and cash rent tenant determinations.	N/A		
AGI determinations.	N/A	CCC-941 according to 6-PL prior to repayment date	CCC-941 according to 6-PL prior to final LDP availability date
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 LDP's and MAL's for the 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 or CCC-902E, Part C, as applicable.	CCC-902, and CCC-901 if an entity	CCC-902, and CCC-901 if an entity
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.

Notes: Eligibility flags for the entity and **all** entity members and/or affiliated persons **must** be updated in the Subsidiary File, according to 3-PL and 6-PL.

If the required determinations are **not** made and the Subsidiary File is updated, a market gain repayment and/or LDP will be denied or reduced to the producer or payment entity.

Entity members and/or affiliated persons are **required** to complete CCC-941 and AD-1026, according to 6-PL and 6-CP.

Eligible Grain Sorghum Varieties

A Determining Eligible Grain Sorghum Varieties

Each year, grain sorghum varieties are reviewed and updated to determine eligibility and yield information for loans and LDP's.

--Users should refer to Price Support Website at <https://www.fsa.usda.gov/resources/price-support> for the most up to date and accurate information. On this page, you will find the eligible grain sorghum varieties posted under the "Resources" section.--

Grain sorghum varieties are as follows:

- dual purpose, having a yield potential equal to 100 percent of hybrid varieties
- dual purpose, having a yield potential equal to 80 percent of hybrid varieties
- sterile varieties
- photo-period sensitive varieties
- ineligible varieties.

The following categories will be used to determine eligibility of grain sorghum (dual purpose *--varieties) for LDP's and MAL's for 2023 and subsequent crop years.--*

- **Category I** - Non-Tannin Sorghum for grain or forage **is eligible** regardless of parentage or grain yield.
- **Category II** - Tannin Sorghum for grain or forage **is eligible** regardless of parentage or grain yield, but if harvested, grain **must** be identity-preserved and reported.
- **Category III** - Tannin Sorghum used for grazing **is not eligible** for LDP's or any programs.

Note: Forage is only eligible for LDP.

B Assigning Yield Guidelines

COC's will assign yield for grain sorghum (dual purpose variety), harvested as other than grain, to:

- be equivalent to the potential whole grain yield for that crop
- reflect disaster conditions, as applicable.

Eligible Grain Sorghum Varieties (Continued)

B Assigning Yield Guidelines (Continued)

Producers **must** provide documentation, such as seed tickets and invoices, for grain sorghum (dual purpose varieties) harvested as other than grain to substantiate the variety planted and harvested.

Note: Dual purpose grain sorghum varieties are added to the 100 percent yield potential list * * *) when the specific variety is in a documented field trial conducted by an unbiased third party, and the seed company specifically requests a grain yield of the selected variety with the resulting yield equal or greater, to a set yield. FSA has been using the Texas Panhandle Forage Sorghum Silage Trial conducted at the Bushland Facility by Texas A & M University to update the lists * * *.

C Methods for Assigning the Yield

COC's must use the following methods to assign the yield if the variety of grain sorghum (dual purpose variety) is eligible for LDP.

IF the producer harvested...	THEN assign the yield based on...
some dual purpose acreage of the crop on the farm for grain	the acreage of dual purpose grain sorghum harvested as grain.
dual purpose acreage of the crop on the farm as other than grain	regular hybrid grain sorghum harvested on the farm adjusted according to subparagraph D. Note: If no grain sorghum is harvested for grain on the farm, COC establishes a yield based upon COC judgment and knowledge of practices and growing conditions in the county; this must be documented in the COC minutes.

Notes: The yields assigned by COC must **not** exceed the actual yield for farms in the area with similar management practices that harvested the crop and variety for grain.

Assigning yields based on 3 similar farms is no longer authorized.

Eligible Grain Sorghum Varieties (Continued)

D Dual Purpose Grain Sorghum Varieties With 100 Percent Yield Potential

--The dual purpose grain sorghum varieties listed on the Price Support Website have yield-- potential equal to 100 percent of hybrid varieties. County Offices must:

- make LDP eligibility determinations
- advise seed companies, who believe they have eligible varieties **not** listed in the following table, to contact the State Office and provide information about plant characteristics and forage and grain yield potentials.

Note: Assign a yield of 100 percent of the grain yield using the methods in subparagraph C.

* * *

E Dual Purpose Grain Sorghum Varieties With 80 Percent Yield Potential

--The dual purpose grain sorghum varieties listed on the Price Support Website have yield-- potential equal to 80 percent of hybrid varieties. County Offices must:

- make LDP eligibility determinations
- *--advise seed companies, who believe they have eligible varieties **not** listed on the website to--* contact the State Office and provide information about plant characteristics and forage and grain yield potentials.

Note: Assign a yield of 80 percent of the grain yield using the methods in subparagraph C.

State Offices must consult with PSD to make determinations of dual purpose varieties eligible at *--the 80 percent level that are not included on the website, based on information received from--* seed companies. If more information is needed to make a determination, contact NIFA or universities, as applicable.

Eligible Grain Sorghum Varieties (Continued)

F Sterile Grain Sorghum Varieties With 80 Percent Yield Potential

--Sterile varieties of grain sorghum are listed on the Price Support Website. The producer--
must provide documentation to COC that shows the crop was planted with a pollinator and that
90 percent or more of the plants could produce a grain that would be classified as grain sorghum
using the Official United States Standards for Grain.

Assign a yield based on 80 percent of the yield determined by using the methods in
subparagraph C. County Offices will:

- make LDP eligibility determinations
- *--advise seed companies, who believe they have eligible varieties **not** listed in the table on the
website, to contact the State Office and provide information about plant characteristics and--*
forage and grain yield potentials
- notify the State Office of any varieties **not** listed in this table that may be sterile.

G Photo-Period Sensitive

--Photo-period sensitive varieties of grain sorghum are listed on the Price Support Website.--
Contact the State Office for assistance with establishing maximum eligible quantity if the crop
was planted south of Interstate 10 to Interstate 20 to the east coast of the U.S. Assign a yield
based on 80 percent of the yield determined by using the silage factor.

For any photo-period sensitive variety planted north of Interstate 10 then Interstate 20, assign a
yield of zero. County Offices must:

- make LDP eligibility determinations
- *--advise seed companies, who believe they are eligible varieties **not** listed on the website,--*
to contact the State Office and provide information about plant characteristics and forage and
grain yield potentials
- *--notify the State Office of any varieties **not** listed on the website that may be photo-period--*
sensitive.

* * *

Eligible Grain Sorghum Varieties (Continued)

H Ineligible Varieties

Ineligible grain sorghum, Category III varieties are listed on the Price Support Website.

- All sweet sorghum varieties used for sugar purposes only are ineligible and listed on the Price Support Website.
- Notify the State office if any varieties need to be added to the Price Support Website.

* * *

Shrink Factors for Excess Moisture

A Shrink Factors for Excess Moisture of 1.3 Percent

Use the following chart for determining the excess moisture shrink factor adjustment for all commodities including soybeans. See factor formula of .011 (subparagraph B) for oilseeds other than soybeans.

Note: Commodity is shrunk for moisture after test weight/pack factor is applied.

	0.0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9
0	0.0000	0.9987	0.9974	0.9961	0.9948	0.9935	0.9922	0.9909	0.9896	0.9883
1	0.9870	0.9857	0.9844	0.9831	0.9818	0.9805	0.9792	0.9779	0.9766	0.9753
2	0.9740	0.9727	0.9714	0.9701	0.9688	0.9675	0.9662	0.9649	0.9636	0.9623
3	0.9610	0.9597	0.9584	0.9571	0.9558	0.9545	0.9532	0.9519	0.9506	0.9493
4	0.9480	0.9467	0.9454	0.9441	0.9428	0.9415	0.9402	0.9389	0.9376	0.9363
5	0.9350	0.9337	0.9324	0.9311	0.9298	0.9285	0.9272	0.9259	0.9246	0.9233
6	0.9220	0.9207	0.9194	0.9181	0.9168	0.9155	0.9142	0.9129	0.9116	0.9103
7	0.9090	0.9077	0.9064	0.9051	0.9038	0.9025	0.9012	0.8999	0.8986	0.8973
8	0.8960	0.8947	0.8934	0.8921	0.8908	0.8895	0.8882	0.8869	0.8856	0.8843
9	0.8830	0.8817	0.8804	0.8791	0.8778	0.8765	0.8752	0.8739	0.8726	0.8713
10	0.8700	0.8687	0.8674	0.8661	0.8648	0.8635	0.8622	0.8609	0.8596	0.8583
11	0.8570	0.8557	0.8544	0.8531	0.8518	0.8505	0.8492	0.8479	0.8466	0.8453
12	0.8440	0.8427	0.8414	0.8401	0.8388	0.8375	0.8362	0.8349	0.8336	0.8323
13	0.8310	0.8297	0.8284	0.8271	0.8258	0.8245	0.8232	0.8219	0.8206	0.8193
14	0.8180	0.8167	0.8154	0.8141	0.8128	0.8115	0.8102	0.8089	0.8076	0.8063
15	0.8050	0.8037	0.8024	0.8011	0.7998	0.7985	0.7972	0.7959	0.7946	0.7933
16	0.7920	0.7907	0.7894	0.7881	0.7868	0.7855	0.7842	0.7829	0.7816	0.7803
17	0.7790	0.7777	0.7764	0.7751	0.7738	0.7725	0.7712	0.7699	0.7686	0.7673
18	0.7660	0.7647	0.7634	0.7621	0.7608	0.7595	0.7582	0.7569	0.7556	0.7543
19	0.7530	0.7517	0.7504	0.7491	0.7478	0.7465	0.7452	0.7439	0.7426	0.7413
20	0.7400	0.7387	0.7374	0.7361	0.7348	0.7335	0.7322	0.7309	0.7296	0.7283
21	0.7270	0.7257	0.7244	0.7231	0.7218	0.7205	0.7192	0.7179	0.7166	0.7153
22	0.7140	0.7127	0.7114	0.7101	0.7088	0.7075	0.7062	0.7049	0.7036	0.7023
23	0.7010	0.6997	0.6984	0.6971	0.6958	0.6945	0.6932	0.6919	0.6906	0.6893
24	0.6880	0.6867	0.6854	0.6841	0.6828	0.6815	0.6802	0.6789	0.6776	0.6763

Example: 1,000 bu. of corn, 17.3% determined moisture:

17.3% - 15.5% (standard moisture level - corn) = 1.8% excess moisture
 1.8% excess moisture = .9766 in the chart above **or**
 (Look at “1” on left side of chart, then “0.8” at the top to arrive at “.9766”)
 1,000 bu. x .9766 = 976.60 bu. after shrink.

Shrink Factors for Excess Moisture (Continued)

B Factor Formula of .011

Use the following chart for determining the excess moisture shrink factor adjustment for **oilseeds other than soybeans**.

Note: Commodity is shrunk for moisture after test weight/pack factor is applied.

	0.0	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9
0	0.0000	0.9989	0.9978	0.9967	0.9956	0.9945	0.9934	0.9923	0.9912	0.9901
1	0.9890	0.9879	0.9868	0.9857	0.9846	0.9835	0.9824	0.9813	0.9802	0.9791
2	0.9780	0.9769	0.9758	0.9747	0.9736	0.9725	0.9714	0.9703	0.9692	0.9681
3	0.9670	0.9659	0.9648	0.9637	0.9626	0.9615	0.9604	0.9593	0.9582	0.9571
4	0.9560	0.9549	0.9538	0.9527	0.9516	0.9505	0.9494	0.9483	0.9472	0.9461
5	0.9450	0.9439	0.9428	0.9417	0.9406	0.9395	0.9384	0.9373	0.9362	0.9351
6	0.9340	0.9329	0.9318	0.9307	0.9296	0.9285	0.9274	0.9263	0.9252	0.9241
7	0.9230	0.9219	0.9208	0.9197	0.9186	0.9175	0.9164	0.9153	0.9142	0.9131
8	0.9120	0.9109	0.9098	0.9087	0.9076	0.9065	0.9054	0.9043	0.9032	0.9021
9	0.9010	0.8999	0.8988	0.8977	0.8966	0.8955	0.8944	0.8933	0.8922	0.8911
10	0.8900	0.8889	0.8878	0.8867	0.8856	0.8845	0.8834	0.8823	0.8812	0.8801
11	0.8790	0.8779	0.8768	0.8757	0.8746	0.8735	0.8724	0.8713	0.8702	0.8691
12	0.8680	0.8669	0.8658	0.8647	0.8636	0.8625	0.8614	0.8603	0.8592	0.8581
13	0.8570	0.8559	0.8548	0.8537	0.8526	0.8515	0.8504	0.8493	0.8482	0.8471
14	0.8460	0.8449	0.8438	0.8427	0.8416	0.8405	0.8394	0.8383	0.8372	0.8361
15	0.8350	0.8339	0.8328	0.8317	0.8306	0.8295	0.8284	0.8273	0.8262	0.8251
16	0.8240	0.8229	0.8218	0.8207	0.8196	0.8185	0.8174	0.8163	0.8152	0.8141
17	0.8130	0.8119	0.8108	0.8097	0.8086	0.8075	0.8064	0.8053	0.8042	0.8031
18	0.8020	0.8009	0.7998	0.7987	0.7976	0.7965	0.7954	0.7943	0.7932	0.7921
19	0.7910	0.7899	0.7888	0.7877	0.7866	0.7855	0.7844	0.7833	0.7822	0.7811
20	0.7800	0.7789	0.7778	0.7767	0.7756	0.7745	0.7734	0.7723	0.7712	0.7701
21	0.7690	0.7679	0.7668	0.7657	0.7646	0.7635	0.7624	0.7613	0.7602	0.7591
22	0.7580	0.7569	0.7558	0.7547	0.7536	0.7525	0.7514	0.7503	0.7492	0.7481
23	0.7470	0.7459	0.7448	0.7437	0.7426	0.7415	0.7404	0.7393	0.7382	0.7371
24	0.7360	0.7349	0.7338	0.7327	0.7316	0.7305	0.7294	0.7283	0.7272	0.7261

Example: 1,000 cwt. of safflower, 12.1% determined moisture:

12.1% - 10% (standard moisture level - safflower) = 2.1% excess moisture
 2.1% excess moisture = .9769 in the chart above **or**
 (Look at “2” on left side of chart, then “0.1” at the top to arrive at “.9769”)
 1,000 cwt. x .9769 = 976.90 cwt. after shrink.

Eligible Commodities

A Abbreviations for Commodity Classes, Subclasses, and Varieties

Commodity	Class	Abbreviation	Subclass	Abbreviation
Barley (48 lbs. per bu.)	Barley	BRL	Barley	BRY
			Six-Rowed Barley	6BR
			Two-Rowed Barley	2BR
	Hulless	BHL		
Canola (cwt.)	Canola	CAN		
Chickpeas (cwt.)	Miscellaneous Beans	CHKP		
Corn (Shelled) 56 lb. per bu.	Yellow	YC		
	White	WC		
	Mixed	MXC		
Crambe (cwt.)	Crambe	CRA		
Flaxseed (cwt.)	Flaxseed	FLX		
Grain Sorghum (cwt.)	White	WHG		
	Sorghum	SOR		
	Tannin	TAN		
	Mixed	MIX		
Lentils (cwt.)	Lentils	LEND		
Mustard (cwt.)	Yellow Mustard	YMU		
	Brown Mustard	BMU		
	Oriental Mustard	OMU		
	Mixed Mustard	XMU		
Oats (32 lbs. per bu.)	Oats	OAT		
	Hulless	HLS		
Rapeseed (cwt.)	Rapeseed	RAP		
Safflower Seed (cwt.)	Safflower Seed	SAF		
Soybeans (60 lbs. per bu.)	Yellow	YSB		
	Mixed	XSB		
Sunflower (Oil Type) (cwt.)	Sunflower Seed	SUN		
Sunflower (Other Type) (cwt.)	Sunflower Seed	SFN		

Eligible Commodities (Continued)

A Abbreviations for Commodity Classes, Subclasses, and Varieties (Continued)

Commodity	Class	Abbreviation	Subclass	Abbreviation
Wheat (60 lbs. per bu.)	Durum	DUM	Hard Amber Durum	HAD
			Amber Durum	AD
			Durum	D
	Hard Red Spring	HRS	Dark Northern Spring	DNS
			Northern Spring	NS
			Red Spring	RS
	Hard Red Winter	HRW		
	Hard White Wheat	HWW		
	Soft Red Winter	SRW		
	Soft White Wheat	SWW	Soft White	SWH
			White Club	WHC
			Western White	WWH
	Mixed Wheat	MIX	Mixed High Percent Spring	XS
			Mixed High Percent Durum	XD
			Mixed High Percent Winter	XW
			Mixed Hard and Soft (50-50)	HS5
			Mixed Hard and Soft (High Percent Hard)	HSH
			Mixed Hard and Soft (High Percent Soft)	HSS
			Mixed Amber Durum	XAD
			Mixed Durum	XDU
			Mixed Soft Red and Soft White (High Percent Soft White)	RSS
			Mixed Soft Red and Soft White (High Percent Soft Red)	RSR
Whole Dry Peas (cwt.)	Smooth Green	PEAD		
	Smooth Yellow			
	Wrinkled			
	Mottled			
	Miscellaneous			
	Mixed Dry			

Eligible Commodities (Continued)

B Eligible Intended Uses or Actual for MAL and Commodity Loans (Continued)

Eligible MAL & Loan Commodity	Eligible MAL & Loan Class/Variety Type	Eligible MAL & Loan Type Name	MAL & Loan Eligible Intended Uses	MAL & Loan Eligible Intended Use Code
Barley	Barley (with Hull)	Spring Barley w/hull	Grain	GR
			Seed	SD
		Waxy Barley w/hull	Grain	GR
	Barley (Hulless)		Seed	SD
		Winter Barley w/hull	Grain	GR
			Seed	SD
Canola		Hulless	Grain	GR
			Seed	SD
Corn	Yellow corn	Fall Seeded	Seed	SD
		Fall Seeded	Processed	PR
		Spring Canola	Seed	SD
		Spring Canola	Processed	PR
	White Corn	Yellow	Grain	GR
		Yellow	Seed	SD
		White	Grain	GR
		White	Seed	SD
Cotton	Waxy Corn	Waxy	Grain	GR
		Waxy	Seed	SD
Crambe	Upland Upland Seed Extra Long Staple Extra Long Staple Seed	Cotton, Upland		
		Cotton, Upland Seed		
		Cotton, Extra Long Staple		
		Cotton, ELS Seed		
Crambe		Crambe	Grain	GR
		Crambe	Seed	SD

Eligible Commodities (Continued)

B Eligible Intended Uses or Actual for MAL and Commodity Loans (Continued)

Eligible MAL & Loan Commodity	Eligible MAL & Loan Class/Variety Type	Eligible MAL & Loan Type Name	MAL & Loan Eligible Intended Uses	MAL & Loan Eligible Intended Use Code
Dry Peas	Smooth Green	Green (Smooth)	Dry Edible	DE
		Green (Smooth)	Seed	SD
	Wrinkled	Wrinkled Seed	Dry Edible	DE
		Wrinkled Seed	Seed	SD
	Smooth Yellow	Yellow Variety	Dry Edible	DE
		Yellow Variety	Seed	SD
	Mottled (Austrian)	Austrian Peas	Dry Edible	DE
		Austrian Peas	Seed	SD
	Miscellaneous		Dry Edible	DE
			Seed	SD
	Mixed		Dry Edible	DE
			Seed	SD
Flaxseed		Common Flaxseed	Grain	GR
		Common Flaxseed	Oil	OL
		Common Flaxseed	Seed	SD
		Common Flaxseed	Processed	PR
		Lewis/Wild Blue	Grain	GR
		Lewis/Wild Blue	Seed	SD
		Linola Flaxseed	Grain	GR
		Linola Flaxseed	Seed	SD

Eligible Commodities (Continued)

B Eligible Intended Uses or Actual for MAL and Commodity Loans (Continued)

Eligible MAL & Loan Commodity	Eligible MAL & Loan Class/Variety Type	Eligible MAL & Loan Type Name	MAL & Loan Eligible Intended Uses	MAL & Loan Eligible Intended Use Code
Grain Sorghum	White Sorghum Tannin Mixed	Grain	Grain	GR
		Grain	Seed	SD
		Hybrid	Grain	GR
		Hybrid	Seed	SD
		Hybrid Standard Plant	Grain	GR
		GR	Seed	SD
		Hybrid Standard Plant	Grain	GR
		GR	Seed	SD
Large Chickpeas	Large Chickpeas	Sorghum, Dual Purpose		
		Sorghum, Dual Purpose		
Lentils		Garbanzo, LG Kabuli	Dry Edible	DE
		Garbanzo, LG Kabuli	Seed	SD
Mustard seed	Brown Mustard	Lentils	Dry Edible	DE
			Seed	SD
	Oriental Mustard	Brown Mustard	Grain	GR
		Brown Mustard	Seed	SD
	Yellow Mustard	Oriental Mustard	Grain	GR
		Oriental Mustard	Seed	SD
		Yellow Mustard	Grain	GR
		Yellow Mustard	Seed	SD
Oats	Oats (w/Hull)	Spring w/hulls	Grain	GR
		Spring w/hulls	Seed	SD
		Winter w/hulls	Grain	GR
		Winter w/hulls	Seed	SD
	Oats (Hulless)	Hulless	Grain	GR
		Hulless	Seed	SD
Peanuts	Runner Spanish – SE Spanish - SW Valencia Virginia	Runner Peanuts	Nut Peanuts	NP
		SE Spanish Peanuts	Nut Peanuts	NP
		SW Spanish Peanuts	Nut Peanuts	NP
		Valencia Peanuts	Nut Peanuts	NP
		Virginia Peanuts	Nut Peanuts	NP
			Nut Peanuts	NP

Eligible Commodities (Continued)

B Eligible Intended Uses or Actual for MAL and Commodity Loans (Continued)

Eligible MAL & Loan Commodity	Eligible MAL & Loan Class/Variety Type	Eligible MAL & Loan Type Name	MAL & Loan Eligible Intended Uses	MAL & Loan Eligible Intended Use Code
Rapeseed		Rapeseed Rapeseed	Grain Seed	GR SD
Rice	Long Grain Medium Grain Short Grain Sweet Rice	Long Grain Medium Grain Short Grain Sweet Rice		
Safflower Seed		Safflower Seed	Seed	SD
Sesame Seed		Sesame Sesame	Grain Seed	GR SD
Small Chickpeas	Small Chickpeas	Garbanzo, SM Desi Garbanzo, SM Desi Garbanzo, SM Kabuli Garbanzo, SM Kabuli	Dry Edible Seed Dry Edible Seed	DE SD DE SD
Soybeans	Yellow & Mixed	Common Common Edamame Soybeans Edamame Soybeans High Protein High Protein Lerado Lerado Large seeded food grade Low Linolenic Acid Low Linolenic Acid Low Saturated Fat Low Saturated Fat Quail Haven Small seeded food grade Vernal	Grain Seed Grain Seed Grain Seed Grain Seed Seed Grain Seed Grain Seed Seed Seed Seed	GR SD GR SD GR SD GR SD SD GR SD GR SD SD SD SD

Eligible Commodities (Continued)

B Eligible Intended Uses or Actual for MAL and Commodity Loans (Continued)

Eligible MAL & Loan Commodity	Eligible MAL & Loan Class/Variety Type	Eligible MAL & Loan Type Name	MAL & Loan Eligible Intended Uses	MAL & Loan Eligible Intended Use Code
Sugar	Raw Cane Sugar & In Processed Cane	Sugarcane	Processed	PR
	Beet Sugar & In Processed Beet	Sugar Beets	Processed	PR
Sunflower Seed	Sunflower - Other Type	Confectionery-Sunflower	Grain	GR
		Confectionery-Sunflower	Seed	SD
	Sunflower - Oil Type	Sunflower Oil	Grain	GR
		Sunflower Oil	Seed	SD
Wheat	Durum (HAD, AD & D)	Hard Amber Durum	Grain	GR
		Hard Amber Durum	Seed	SD
		Hard Red Spring	Grain	GR
		Hard Red Spring	Seed	SD
	Hard Red Spring (NS & RS)	Hard Red Winter	Grain	GR
		Hard Red Winter	Seed	SD
		Hard White Spring	Grain	GR
		Hard White Spring	Seed	SD
	Hard White Wheat	Hard White Winter	Grain	GR
		Hard White Winter	Seed	SD
		Soft Red Winter	Grain	GR
		Soft Red Winter	Seed	SD
	Soft Red Winter	Soft White Spring	Grain	GR
		Soft White Spring	Seed	SD
		Soft White Winter	Grain	GR
		Soft White Winter	Seed	SD

Note: Honey, wool, and mohair (when eligible for MAL) are **not** retrieved from CARS. County Offices are able to manually enter reasonable quantities as determined from either the CCC-633 Honey and/or CCC-633 WM worksheet to determine reasonable production to generate a “Customer Profile” for these commodities only, according to 15-PS, paragraphs 100 through 104.

Recourse Distress Loans

A Recourse Distress Loans Nearing, At, or After Maturity

The following provides actions for recourse distress loans nearing, at, or after maturity.

IF the loan type is distress, 30 calendar days before maturity County Office must send the notification letter in...	THEN on the first day after maturity for loans still outstanding, County Office must...	AND the subsequent action is...	Paragraph Reference
subparagraph C to the producer according to paragraph 797	send letter in subparagraph D and - in CLPS: - compute the total principal and interest due on the day after maturity - screen print the total amount due and retain in the loan folder - establish manual receivables in NRRS according to 64-FI and FI firectives to match the principal and interest computed in CLPS Note: In NRRS, enter the following dates according to 64-FI: - subparagraph C letter as initial notification letter - subparagraph D letter as first demand letter. - apply any repayments received from the producer to the receivable.	if the receivable is not repaid by the 15th calendar day after maturity: - continue to accept and apply any repayments from the producer to the receivables - begin foreclosure action by sending foreclosure letter in subparagraph E and settle the loan through a local sale according to paragraphs 856 through 862 - announce the sale of the commodity 15 calendar days after the date of the foreclosure letter. When local sale is completed, according to paragraphs 856 through 862: - establish a new receivable to include expenses CCC incurred during the foreclosure action according to 64-FI - apply local sales proceeds to the established receivables, according to subparagraph 861 D. All subsequent demand letters for amount due CCC will be generated through NRRS and offsets will be taken from any payments due the producer.	797, 856-862, 866

Recourse Distress Loans (Continued)

B Example of Recourse Distress Loan Nearing, At, and After Maturity

Recourse distress loan for 1,000 bu. of corn was disbursed on November 12, 20xx, and matures on February 10, 20xx.

The following steps must be followed for recourse distress loans nearing, at, and after maturity.

Step	Date	Action
1	January 11, 20xx	County Office must send 30-calendar-day notification letter in subparagraph C to producer.
2	February 10, 20xx	Loan matures.
3	February 11, 20xx	Day after loan maturity and loan is outstanding. County Office must: • send demand letter in subparagraph D • manually establish receivables in NRRS according to 64-FI and FI directives to match the principal and interest computed in CLPS • follow 64-FI to enter the following dates in NRRS: • subparagraph C letter – initial notification letter • subparagraph D letter – first demand letter • apply any repayments received from the producer to the receivables in NRRS.
4	February 25, 20xx	Receivable is outstanding. County Office will begin foreclosure action by sending foreclosure letter from subparagraph E informing producer that if the receivable is still outstanding in 15 calendar days, arrangements will be made to sell the loan collateral through the local sales option.
5	March 12, 20xx	Receivable is outstanding. County Office will announce the sale of the commodity, according to paragraph 858, and give bidders 15 calendar days to submit their bids. NRRS will automatically send producer the second demand letter 30 calendar days after the first demand letter.
6	March 27, 20xx	Fifteen day bid acceptance period ends at COB.

Recourse Distress Loans (Continued)

B Example of Recourse Distress Loan Nearing, At, and After Maturity (Continued)

Step	Date	Action
7	March 28, 20xx	County Office will: • open bids and record on CCC-639 • request and receive verbal State Office approval for final bid Note: State Offices must follow-up with written approval within 3 calendar days after verbal approval is given. • notify successful bidder of bid acceptance, in writing • provide successful bidder 15 calendar days to pay for commodity and removal per sales announcement.
8	As soon as determined	County Office will establish new receivable to include expenses, such as advertising, CCC incurred during the foreclosure action according to 64-FI.
9	By April 12, 20xx	County Office will make arrangements: • with producer and buyer to supervise the delivery • for the commodity to be weighed as hauled to determine the exact quantity. Successful bidder must pay for the commodity: • immediately after the commodity is moved and weighed • in cash or by money order, certified check, or cashier's check; other methods may be approved by CED • within 15 calendar days after notification of the successful bid. County Office will: • apply local sales proceeds to the established receivables according to subparagraph 861 D • pay excess amount, if applicable, to the producer following NRRS procedure according to 64-FI.

Recourse Distress Loans (Continued)

B Example of Recourse Distress Loan Nearing, At, and After Maturity (Continued)

Step	Date	Action
10	Ongoing receivable servicing	NRRS will: • continue sending applicable demand letters to the producer for any amounts still owed • offset payments due the producer and apply to receivables • continue to service receivable until paid in full • refer outstanding debts to TOP when 180 calendar days delinquent.

Recourse Distress Loans (Continued)

C Distress Loan 30-Calendar-Day Maturity Notification Letter

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY _____ COUNTY FSA OFFICE ADDRESS CITY, STATE, ZIP CODE TELEPHONE (Date) Producer's Name Address City, State, ZIP Code Dear (Producer's Name): This is to notify you that your (crop year, commodity) distress crop loan (loan number) will mature (maturity date). The only option available on or before the maturity date is to repay the principal and charges, plus interest, by check, certified check or money order. As interest accrues on a daily basis, please contact this office for the exact repayment amount computed to the date we receive your check. Distress loans that are repaid before the maturity date may be repledged for a recourse or non-recourse loan. If you wish to repledge this loan, the collateral must be moved into eligible farm or warehouse storage and the repledged loan must be completed before (maturity date), which is the maturity date of your distress loan. The maturity date for the repledged loan will be the last day of the 9th calendar month following approval of the original distress loan disbursement date. If the collateral for the distress loan will be repledged, you must repay the distress loan within the 90 calendar day window before the distress loan matures by one of the following methods: • with check, certified check or money order at principal plus interest • authorized offset for the amount needed to repay from the proceeds of the repledged loan. Please contact this office to obtain permission before moving any of the outstanding loan collateral to an approved storage location and to avoid unauthorized removal. The following apply if the principal and charges, plus interest, are not repaid by the distress loan maturity: • loan principal and charges plus interest will be transferred to the Farm Service Agency (FSA) receivable system on the day after the distress loan matures • foreclosure proceedings may begin and CCC will take action to sell the commodity securing this receivable through a local sale. You will be responsible for any expenses incurred by CCC for the local sale where the collateral will be sold to the highest bidder. Proceeds from the sale will be applied to the receivable and you will be responsible for any remaining amount due. If there are no successful bidders, you owe the entire amount of the receivable. • amount due CCC will be recorded for offset from any FSA or CCC payments due you • amount due CCC may be reported to other Federal Agencies for offset from any amount due you.

Recourse Distress Loans (Continued)

C Distress Loan 30-Calendar-Day Maturity Notification Letter (Continued)

If the receivable is not resolved, this Agency reserves the right to use all additional collection actions available to recover the receivable including internal administrative offsets from any CCC or FSA payments due you. Additional actions that may be taken to recover the receivable include the assessment of late payment interest, administrative costs, and penalties; administrative wage garnishment; collecting the receivable by offset of any eligible federal and state payments including any income tax refunds; referring the receivable for litigation (if collection administratively is unsuccessful); and reporting the receivable to the Internal Revenue Service if the receivable, or any portion of the receivable, is discharged. Once your receivable is more than 180 days delinquent, we are required to refer the receivable to the Department of Treasury for collection.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the FSA County Office Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the FSA County Office Committee, you have the right to an informal hearing which you or your representatives may attend personally or by telephone. If you appeal this determination to the FSA County Office Committee, you may later appeal an adverse determination of the FSA County Office Committee to the FSA State Office Committee or National Appeals Division. To appeal, write to the FSA County Office Committee at the following address and explain why you believe this determination is erroneous. **(Insert COC address.)**

You may contact this office to review records related to this debt or to receive an explanation of the debt. You may also obtain a copy of the records, subject to a copying charge.

Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures.

Please indicate your intentions on the enclosed sheet, sign, date, and return to the address shown above on or before **(maturity date)**.

If you should need further assistance, feel free to contact the FSA County Office.

Sincerely,

County Executive Director
_____ FSA Office

USDA is an Equal Opportunity Provider, Employer, and Lender.

Recourse Distress Loans (Continued)

C Distress Loan 30-Calendar-Day Maturity Notification Letter (Continued)

Producer's Name _____

Loan Number _____

Crop Year _____

Commodity _____

Maturity Date _____

I INTEND TO, ON OR BEFORE THE LOAN MATURITY DATE FOR THE LOAN IDENTIFIED ABOVE (*initial one*):

_____ REPAY THE LOAN PRINCIPAL PLUS INTEREST WITH CHECK, CERTIFIED CHECK OR MONEY ORDER.

_____ REPLEDGE THE LOAN **BEFORE** THE MATURITY OF THE DISTRESS LOAN.

(Producer's Signature)_____
(Date)

Please return this intention by (maturity date).

**Mail to: (County Name) County FSA Office
(Mailing Address)
(City, State, ZIP Code)**

Recourse Distress Loans (Continued)

D Recourse Distress Loan First Demand Letter

UNITED STATES DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 _____ COUNTY FSA OFFICE
 ADDRESS
 CITY, STATE, ZIP CODE

(Date)

Producer's Name
 Address
 City, State, ZIP Code

Dear **(Producer's Name)**:

You were notified on **(date of loan notification letter)** that your **(year)**-crop **(commodity type)** loan **(number)** would be due and payable on or before **(maturity date)**. The loan has matured and the debt has not been repaid.

As of the date of this letter, the principal and charges, plus interest, owed on this loan are \$ _____. This loan was transferred to the Farm Service Agency (FSA) receivable system today where interest will continue to accrue on a daily basis. Any payments you make on this loan **(number)** will be applied to the receivable. The total amount due will be recorded for offset from any FSA or CCC payments due you.

The following actions are now applicable to this loan/receivable:

- foreclosure proceedings will begin and CCC will begin action to sell the commodity securing this loan through a local sale by offering the collateral for sale to the highest bidder. Proceeds from the sale will be applied to the receivable. If there are no successful bidders or the sales proceeds do not fully repay the receivable, you will be notified of the amount due CCC. You will also be responsible for any expenses CCC incurs during the foreclosure action
- the amount due may be reported to other Federal Agencies for offset from any amount due you.

Late payment interest will accrue on your debt at the rate of **(applicable interest rate)** per annum from the date of this letter until the debt is paid or otherwise resolved. FSA/CCC will waive late payment interest on your debt (or any part of your debt) that is paid in the next 30 calendar days. If payment in full is not made within 90 calendar days of the date of this letter, an additional 3 percent interest will be assessed on the unpaid balance of the debt retroactively from the date of this letter.

Recourse Distress Loans (Continued)**D Recourse Distress Loan First Demand Letter (Continued)**

Under Federal law and regulations, the following additional actions may be taken by the United States Department of Agriculture and the Department of the Treasury to collect delinquent debts:

- assessment of interest, administrative costs, and penalties
- administrative garnishment of wages
- offset of CCC and FSA payments
- referral of the receivable to Treasury for offset from any Federal payments after 180 days
- reporting of the receivable to credit reporting agencies
- reporting the receivable to private collection agencies by Treasury designated collection centers
- referral of the receivable to agency counsel or the Department of Justice for litigation
- referral of the debt to the Internal Revenue Service if any or all of the debt is discharged.

If this receivable is not resolved, you may be ineligible for additional financial assistance in the form of loans, loan guarantees, or mortgage insurance through USDA's Rural Development.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the FSA County Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the FSA County Committee, you have the right to an informal hearing which you or your representatives may attend personally or by telephone. If you appeal this determination to the FSA County Committee, you may later appeal an adverse determination of the FSA County Committee to the FSA State Committee or National Appeals Division (NAD). To appeal, write to the FSA County Committee at the following address and explain why you believe this determination is erroneous. **(Insert COC address.)**

You may contact this office to review records related to this receivable or to receive an explanation of the receivable. You may obtain a copy of the records, subject to a copying charge.

Please contact this office at **(telephone number)** if you have any questions. We want to work with you to resolve this receivable.

Sincerely,

County Executive Director
 _____ County FSA Office

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Recourse Distress Loans (Continued)

E Recourse Distress Loan Foreclosure Letter

UNITED STATES DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 _____ COUNTY FSA OFFICE
 ADDRESS
 CITY, STATE, ZIP CODE
 TELEPHONE

(Date)

Producer's Name
 Address
 City, State, ZIP Code

Dear (Producer's Name):

This concerns your distress (**year**) crop (**commodity**) loan which matured on (**maturity date**). You have not liquidated this loan by repayment of the receivable established the day after maturity as advised in our letter to you dated (**date of Exhibit 10, subparagraph D**).

Because this receivable has not been repaid, Commodity Credit Corporation (CCC) will now begin foreclosure proceedings to sell the commodity securing this receivable through a local sale. You will be responsible for any expenses incurred by CCC for the local sale where the collateral will be sold to the highest bidder. Proceeds from the sale will be applied to the receivable and you will be responsible for any remaining amount due. If there are no successful bidders, you owe the entire amount of the receivable.

If you do not repay this receivable promptly, you may be jeopardizing your right to future farm-stored commodity loans.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the FSA County Office Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the FSA County Office Committee, you have the right to an informal hearing which you or your representatives may attend personally or by telephone. If you appeal this determination to the FSA County Committee, you may later appeal an adverse determination of the FSA County Office Committee to the FSA State Office Committee or National Appeals Division. To appeal, write to the FSA County Office Committee at the following address and explain why you believe this determination is erroneous. (**Insert COC address.**)

You may contact this office to review records related to this receivable or to receive an explanation of the receivable. You may obtain a copy of the records, subject to a copying charge.

CCC will announce the sale of the commodity securing this receivable in 15 calendar days from the date of this letter. Please contact this office immediately for the current repayment amount.

Sincerely,

County Executive Director
 _____ County FSA Office

USDA is an Equal Opportunity Provider, Employer, and Lender.

Completing CCC-677-1

A Using CCC-677-1's

Use CCC-677-1 to record measurements of commodity in storage structures when:

- a producer requests **measurement service** on commodity to be offered as collateral for a loan, for basis for LDP, or for production evidence
- commodity for a certified or previously measured loan or LDP is **spot-checked** for quantity and quality determination
- production evidence for LDP or marketing loan repayment is not provided.

Completing CCC-677-1 (Continued)

B County Office and Commodity Inspector Instructions

The County Office and commodity inspector will complete CCC-677-1 as follows.

County Office Instructions	Commodity Inspector Instructions
For loans or LDP's , complete all applicable items according to instructions on pages 3 through 6 and calculate quantity for loan or on spot check for loan or LDP, using the information entered by the commodity inspector. For spot checks , calculate measurements entered by the commodity inspector and complete items 32 through 34 (totals). The conversion factors in item 35 and moisture shrink and test weight factors, according to Exhibits 8, 9, and 11, as applicable, must be used to determine the adjusted measured quantity in item 29.	Complete all applicable entries in items 13, 14, 15, 16, 18, 20, 22, 23, 25, 27, 37 A, B, and C, and 39, as applicable, when measuring the commodity for spot check or for measurement service. Draw representative sample of commodity to determine test weight and, if applicable, moisture.
Use "Remarks" section, item 36, for: • notation if loan is nonrecourse or recourse • additional structures and locations.	When checking the commodity for measurement service or for spot check, provide storage structure dimensions, when applicable, including additions or deductions for peaks, false floors, etc., if any. Use the diagrams or sketch the shape of the commodity in the storage structure in the space provided in item 40.
Enter lien search date in item 39 and date of filing of financing statement in item 40.	
Approve and date for CCC in item 38.	Complete comments in item 37 A and sign and date items 37 B and C.
Review items 39 A and B for additional information for calculating the quantity in each structure.	Inspect additional structures shown in "Key Remarks" section, item 36.

Completing CCC-677-1 (Continued)

C Completing CCC-677-1's

Complete CCC-677-1's according to this table.

Note: See subparagraph E for an example of CCC-677-1.

Item	Instructions
1	Enter applicable information and for joint loans, enter contact producers' names and addresses.
2	Enter crop year of commodity.
3	Enter commodity name.
4	Enter class of commodity, if applicable.
5	Enter State and county codes and loan number. • If prepared in CLPS, enter CLPS-assigned loan number. • For spot check of LDP, enter eLDP assigned number.
6	Enter names and share of any joint producers on the loan, if applicable.
7	Enter each farm number where the commodity was produced. Leave blank for spot check.
8	Enter location or legal description where storage structure is located.
9	Enter names and addresses of lienholders, if applicable.
10	Check type of action for this farm visit.
11	Check type of commodity, if applicable. Indicate if the corn is cracked, rolled, or crimped.
12	Enter seal numbers assigned to each structure measured. If producer-assigned numbers are used, the producer's number will also be used on CCC-683 and in CLPS.
13	Enter description of structure and location (such as, Quonset, round steel bin next to barn) for all structures to be measured.
14	Commodity inspector will enter length of commodity stored in flat storage.

Completing CCC-677-1 (Continued)

C Completing CCC-677-1's (Continued)

Item	Instructions
15	Commodity inspector will enter width of commodity stored in flat storage.
16	Commodity inspector will enter circumference of commodity stored in round structure.
17	Commodity inspector will enter diameter of commodity stored in round structure. If diameter is not measured, County Office will: • calculate the diameter by multiplying the circumference times .3183 • round up to the nearest hundredth.
18	Calculate square feet of measured area as result of multiplying item 13 times 14 or item 16 squared times .7854, round to the nearest hundredth, and enter result of calculation.
19	Commodity inspector will enter height of commodity.
20	Calculate total cubic feet of measured area as result of multiplying item 17 times 18, round to the nearest hundredth, and enter result of calculation.
21	If applicable, calculate the cubic feet of the commodity inspector's measurements of additions or deductions and enter in item 20 to adjust the cubic feet calculated in item 19. Note: Review items 36 A and 39 for any comments or information from the commodity inspector.
22	Enter the result of the calculation applicable to items 19 and 20.
23	Commodity inspector will enter condition of the storage structure. Note: Use item 36 A or 40 to provide additional information.
24	Commodity inspector will enter the condition of the commodity. Note: Use item 36 A or 40 to provide additional information.

Completing CCC-677-1 (Continued)

C Completing CCC-677-1's (Continued)

Item	Instructions
25	Enter the calculation of item 21 times the bu. or cwt. conversion factor, applicable to the commodity, as shown in item 35.
26	Commodity inspector will enter the actual test weight applicable to the commodity, except for HM commodities and cracked, rolled, or crimped corn.
27	Enter pack and test weight factors applicable to the commodity from 8-LP: - Exhibit 20 - Exhibit 21, for oilseeds, except soybeans - Exhibit 22, for pulse crops.
28	If applicable, enter the percent of moisture content determined from the sample of the commodity for applicable storage structure.
29	If applicable, enter the excess moisture shrink factor adjustment according to 8-LP, Exhibit 10 or calculated according to 8-LP, subparagraph 528 C.
30	Enter the result of item 24 times item 26, and adjust, if applicable, for the moisture shrink factor determined in item 28, to determine the loan or LDP quantity.
31	Producer must initial and date after verifying the measurements of the structures. Note: The producer's initials and date are not required for spot checks.
32	Producer must initial and date within 30 calendar days of completing the measurement service, if the measurements will be used for production evidence for the requested loan or LDP.
33	For spot check , enter the total outstanding loan quantity as shown in the loan record, or for LDP, enter quantity on which LDP was made.
34	For spot check , enter 90 percent of total outstanding loan quantity or the total quantity for LDP.
35	If the quantity calculated in item 29 is equal to or more than the quantity calculated in item 33, there is no deficiency. Determine the quantity deficient, if any, by calculating the difference between the total adjusted measured quantity in item 29 and the loan quantity in item 32. Note: If COC determines a violation for a deficient loan or LDP quantity, enter COC action in "Key Remarks" section and follow 8-LP, Part 4 for loan and LDP violation provisions.
36	Use these factors for conversion of net cubic feet, in item 21, to bu. or cwt. in item 24.

Completing CCC-677-1 (Continued)

C Completing CCC-677-1's (Continued)

Item	Instructions
37 A	Commodity inspector will enter comments when there is some condition that could affect the maximum quantity for loan, or other matter, that must be brought to the attention of the County Office, such as: • additional information about the condition of the structure or the commodity • uneven filling • excess foreign material, dockage, or moisture • commodity is stored in a hazardous location.
37 B - C	Commodity inspector must sign and date upon completion of the measurement service or spot check.
38	In "Remarks", the County Office will enter any special instructions applicable to this action.
41 A - B	After completion of CCC-677-1 , County Office employee must sign and date for CCC.
42	For spot checks , commodity inspector will complete for all structures entered in items 11 and 12. (A copy of the original measurement service CCC-677-1 may be used when spot-checking the collateral.) When a re-measurement is required or measurements have changed from previous measurements, the commodity inspector must complete a new CCC-677-1.
43	For loan requests or spot checks , the commodity inspector may use this space to provide a sketch of commodity in storage space and any additional information to use to determine the quantity of the commodity.

D Distributing CCC-677-1

File original in County Office after measurement service or spot check is complete.

Completing CCC-677-1 (Continued)

E Example of CCC-677-1

The following is an example of CCC-677-1.

CCC-677-1 (08-16-03)										U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation			
1. NAME AND ADDRESS OF APPLICANT			2. CROP YR.	3. COMMODITY		4. CLASS	5. ST. & CO. CODES, LOAN/DP NO.			FARM STORAGE LOAN WORKSHEET			
6. NAME OF SPOUSE			7. FARM NUMBER(S) WHERE PRODUCED										
PHONE NO. (Area Code):													
8. LOCATION OF COMMODITY			9. LIENHOLDER(S) (Name(s) and Address(es))							10. TYPE OF ACTION (Check applicable box)			
										☐ MEASUREMENT SERVICE ☐ SPOTCHECK			
										11. TYPE OF COMMODITY (Check if applicable)			
										☐ HIGH MOISTURE ☐ EAR CORN ☐ ACID TREATED			
12. SEAL/BIN NO.		13. BIN IDENTIFICATION			14. LENGTH	15. WIDTH	16. CIRCUM-FERENCE	17. DIAMETER (Cir. X: 3183 = Diameter)	18. SQ. FT. (Item 14 x 15) OR (Item 17 squared X .7854)	19. HEIGHT OF GRAIN	20. TOTAL CU. FT.	21. ADDITIONS OR 1/ DEDUCTIONS	22. NET CU. FT.
										x	=	+ / -	=
										x	=	+ / -	=
										x	=	+ / -	=
										x	=	+ / -	=
CONDITION OF		23. STRUCTURE	24. COMMODITY	25. BU. OR CWT. (Item 22 X Factor) 2/	26. ACTUAL TEST WEIGHT	27. PACK AND/OR TEST WEIGHT FACTOR	28. % MOISTURE CONTENT	29. MOISTURE FACTOR	30. ADJUSTED MEASURED QUANTITY	LOAN QUANTITY	90% / 95% OF LOAN QUANTITY 3/	QUANTITY DEFICIENT	
31. PRODUCER'S VERIFICATION OF MEASUREMENTS FOR LOAN/DP (Initials and date):					32. USE MEASUREMENTS FOR PRODUCTION EVIDENCE? (Initials and date):					YES	NO		
36. CONVERSION FACTOR 2/					38. FOR OFFICIAL USE ONLY								
COMMODITY		CWT.	COMMODITY		CWT.	COMMODITY		BUSHEL	OTHER PAYEES				
GRAIN SORGHUM		.448	MUSTARD SEED		.432	EAR CORN		.4	OFFSETS				
CANOLA		.400	SAFFLOWER		.320	SETTLED EAR CORN		.444	REMARKS				
FLAXSEED		.448	SUNFLOWER		.224	ALL OTHER		.8					
RAPESEED		.400	RICE		.36								
37. COMMODITY INSPECTOR					39. LIEN SEARCH DATE (MM-DD-YYYY)					40. DATE FINANCING STATEMENT FILE (MM-DD-YYYY)			
A. COMMENTS													
B. INSPECTED BY					C. DATE (MM-DD-YYYY)					41A. FOR CCC BY:			
										41B. DATE (MM-DD-YYYY)			

1/ IF APPLICABLE, SHOW ADDITIONS AND DEDUCTIONS IN ITEM 43. 2/ ENTER DIMENSIONS AND SKETCH IN ITEM 43. 3/ ENTER 90% FOR 1994 AND LATER CROP YEARS.

CCC-683's

A Applicability

County Offices will:

- complete CCC-683 for each structure containing loan collateral
- provide completed CCC-683's to producers:
 - at time the loan agreements are signed
 - with instructions to post CCC-683's on applicable bins containing commodities pledged as collateral for CCC loans.

--State Offices will order CCC-683's for their counties. CCC-683's can be requested by submitting a printing request through FPACNow at https://usdafpacbc.servicenowservices.com/fpacnow?id=sc_cat_item&sys_id=684cdd581bb3d1106bf7a8efe54bcb0e&sysparm_category=1451cc111b0b01906bf7a8efe54bcb81. Enter details of the request in the "Request Description" box and CLICK "Submit".--

B Completing CCC-683

Complete CCC-683 according to this table.

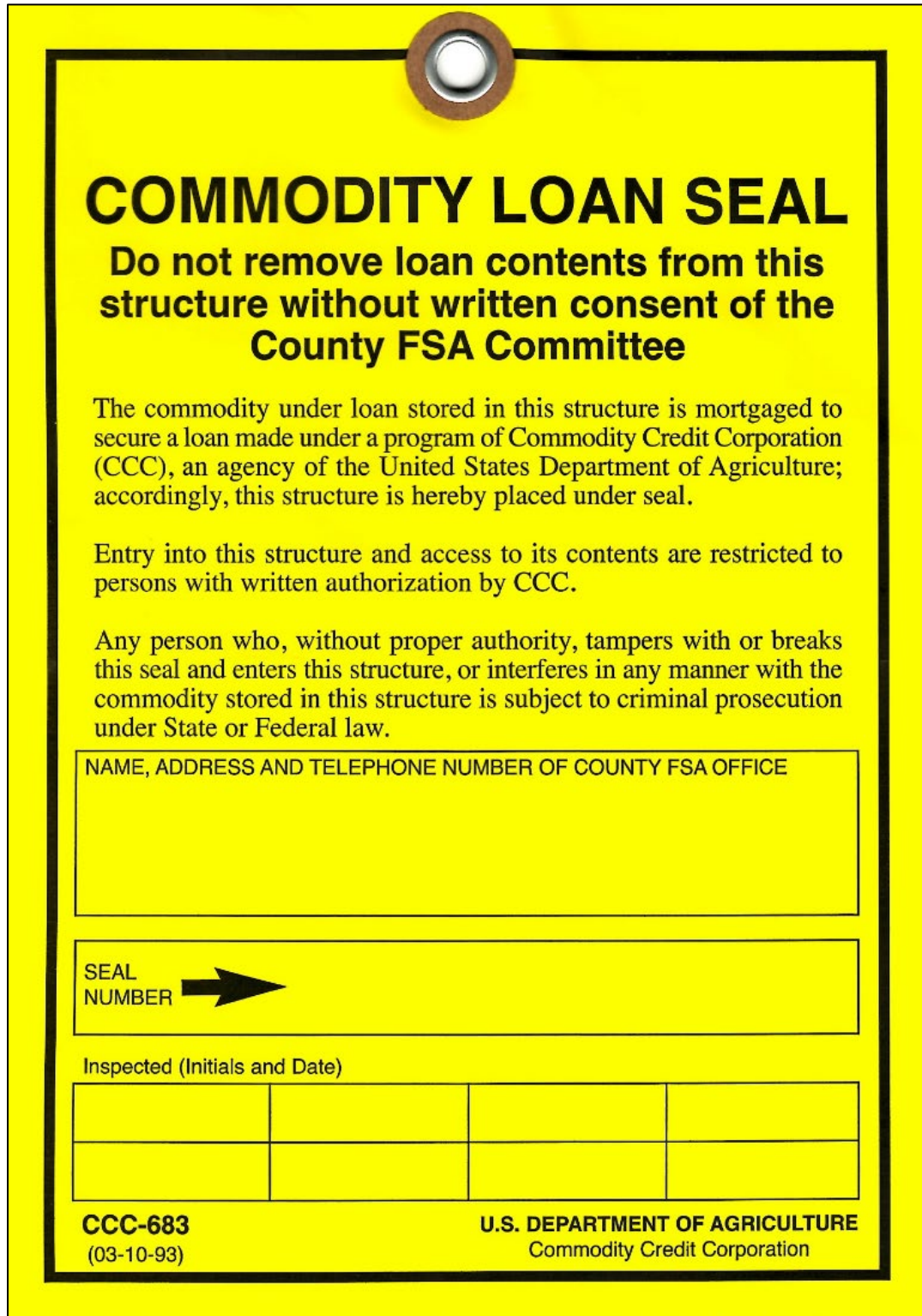
Item Reference	Instructions
Name, Address, and Telephone Number of County FSA Office	Enter applicable information.
Seal Number	Enter the following: • commodity code • crop year • loan number • seal number Note: Seal number may be a number assigned to the bin by the producer. • bin identification or location. Example: WHT-94-1-1-North bin.
Inspections (Initials and Date)	Enter date and initial each time the commodity and structure are inspected.

CCC-683's (Continued)

C Example of CCC-683

The following is an example of CCC-683.

*--



COMMODITY LOAN SEAL

Do not remove loan contents from this structure without written consent of the County FSA Committee

The commodity under loan stored in this structure is mortgaged to secure a loan made under a program of Commodity Credit Corporation (CCC), an agency of the United States Department of Agriculture; accordingly, this structure is hereby placed under seal.

Entry into this structure and access to its contents are restricted to persons with written authorization by CCC.

Any person who, without proper authority, tampers with or breaks this seal and enters this structure, or interferes in any manner with the commodity stored in this structure is subject to criminal prosecution under State or Federal law.

NAME, ADDRESS AND TELEPHONE NUMBER OF COUNTY FSA OFFICE

SEAL NUMBER	➔

Inspected (Initials and Date)

CCC-683
(03-10-93)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

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Combined Test Weight and Pack Factors

A Barley

Use the combined test weight and pack factor applicable to the test weight for **barley** to determine the measured quantity.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51" Bins	Over 2290 Sq. Ft. 54' Bins & Over
25.0	0.594	0.615	0.625	0.646	0.646	0.646
25.5	0.604	0.626	0.636	0.657	0.657	0.657
26.0	0.615	0.636	0.647	0.669	0.669	0.669
26.5	0.625	0.647	0.658	0.680	0.680	0.680
27.0	0.636	0.658	0.669	0.692	0.692	0.692
27.5	0.646	0.669	0.680	0.703	0.703	0.703
28.0	0.656	0.680	0.691	0.715	0.715	0.715
28.5	0.666	0.690	0.702	0.726	0.726	0.726
29.0	0.677	0.701	0.713	0.737	0.737	0.737
29.5	0.687	0.711	0.724	0.748	0.748	0.748
30.0	0.697	0.722	0.734	0.797	0.825	0.842
30.5	0.707	0.732	0.745	0.807	0.835	0.853
31.0	0.717	0.743	0.756	0.817	0.845	0.864
31.5	0.727	0.753	0.766	0.827	0.855	0.875
32.0	0.737	0.763	0.777	0.837	0.865	0.886
32.5	0.746	0.774	0.787	0.847	0.875	0.897
33.0	0.756	0.784	0.798	0.857	0.885	0.908
33.5	0.766	0.794	0.804	0.867	0.895	0.919
34.0	0.776	0.804	0.818	0.877	0.905	0.930
34.5	0.785	0.814	0.828	0.887	0.915	0.941
35.0	0.795	0.824	0.839	0.897	0.925	0.952
35.5	0.804	0.834	0.849	0.907	0.935	0.963
36.0	0.814	0.844	0.859	0.917	0.945	0.974
36.5	0.823	0.854	0.869	0.927	0.955	0.985
37.0	0.833	0.863	0.879	0.937	0.965	0.996
37.5	0.842	0.873	0.889	0.947	0.975	1.007
38.0	0.851	0.883	0.899	0.957	0.985	1.018
38.5	0.860	0.892	0.908	0.967	0.995	1.029
39.0	0.869	0.902	0.918	0.977	1.005	1.040
39.5	0.878	0.911	0.928	0.987	1.015	1.051
40.0	0.888	0.921	0.938	0.997	1.025	1.062
40.5	0.896	0.930	0.947	1.008	1.037	1.075
41.0	0.905	0.940	0.957	1.018	1.047	1.085
41.5	0.914	0.949	0.966	1.029	1.057	1.096

Combined Test Weight and Pack Factors (Continued)

A Barley (Continued)

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
42.0	0.923	0.958	0.976	1.039	1.069	1.108
42.5	0.932	0.967	0.985	1.049	1.079	1.118
43.0	0.941	0.976	0.994	1.059	1.089	1.129
43.5	0.949	0.986	1.004	1.069	1.099	1.140
44.0	0.958	0.995	1.013	1.079	1.109	1.150
44.5	0.966	1.004	1.022	1.089	1.119	1.160
45.0	0.975	1.013	1.031	1.098	1.131	1.173
45.5	0.983	1.021	1.040	1.109	1.141	1.184
46.0	0.992	1.030	1.049	1.119	1.151	1.194
46.5	1.000	1.039	1.058	1.128	1.162	1.205
47.0	1.009	1.048	1.067	1.138	1.172	1.217
47.5	1.017	1.056	1.076	1.148	1.181	1.226
48.0	1.025	1.065	1.085	1.157	1.191	1.236
48.5	1.033	1.074	1.094	1.166	1.202	1.247
49.0	1.041	1.082	1.103	1.176	1.211	1.257
49.5	1.049	1.091	1.111	1.186	1.221	1.268
50.0	1.057	1.099	1.120	1.195	1.230	1.277
50.5	1.065	1.107	1.128	1.205	1.241	1.288
51.0	1.073	1.116	1.137	1.214	1.250	1.297
51.5	1.081	1.124	1.145	1.223	1.259	1.307
52.0	1.089	1.132	1.154	1.232	1.268	1.317
52.5	1.096	1.140	1.162	1.241	1.278	1.327
53.0	1.104	1.148	1.170	1.250	1.288	1.337
53.5	1.112	1.156	1.179	1.259	1.297	1.347
54.0	1.119	1.164	1.187	1.269	1.306	1.357
54.5	1.127	1.172	1.195	1.277	1.315	1.366
55.0	1.134	1.180	1.203	1.286	1.325	1.376
55.5	1.142	1.188	1.211	1.295	1.334	1.386
56.0	1.149	1.196	1.219	1.303	1.344	1.397

Combined Test Weight and Pack Factors (Continued)

B Corn

Use the combined test weight and pack factor applicable to the test weight for **corn** to determine the measured quantity.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51" Bins	Over 2290 Sq. Ft. 54' Bins & Over
30.0	0.587	0.594	0.603	0.610	0.610	0.610
30.5	0.596	0.603	0.612	0.619	0.619	0.619
31.0	0.605	0.612	0.622	0.628	0.628	0.628
31.5	0.614	0.621	0.631	0.638	0.638	0.638
32.0	0.623	0.630	0.640	0.647	0.647	0.647
32.5	0.632	0.639	0.649	0.656	0.656	0.656
33.0	0.641	0.648	0.658	0.665	0.665	0.665
33.5	0.649	0.657	0.667	0.674	0.674	0.674
34.0	0.658	0.665	0.676	0.684	0.684	0.684
34.5	0.667	0.674	0.685	0.693	0.693	0.693
35.0	0.676	0.683	0.694	0.702	0.702	0.702
35.5	0.684	0.692	0.703	0.711	0.711	0.711
36.0	0.693	0.701	0.712	0.720	0.720	0.720
36.5	0.702	0.709	0.721	0.729	0.729	0.729
37.0	0.710	0.718	0.730	0.738	0.738	0.738
37.5	0.719	0.727	0.739	0.747	0.747	0.747
38.0	0.727	0.736	0.748	0.756	0.756	0.756
38.5	0.736	0.744	0.757	0.765	0.765	0.765
39.0	0.744	0.753	0.765	0.774	0.774	0.774
39.5	0.753	0.761	0.774	0.783	0.783	0.783
40.0	0.761	0.770	0.783	0.791	0.791	0.791
40.5	0.770	0.779	0.792	0.800	0.800	0.800
41.0	0.778	0.787	0.800	0.809	0.809	0.809
41.5	0.787	0.796	0.809	0.818	0.818	0.818
42.0	0.795	0.804	0.818	0.841	0.853	0.871
42.5	0.803	0.812	0.826	0.849	0.861	0.879
43.0	0.812	0.821	0.835	0.857	0.869	0.887
43.5	0.820	0.829	0.843	0.865	0.877	0.895
44.0	0.828	0.838	0.852	0.873	0.885	0.903
44.5	0.836	0.846	0.860	0.881	0.893	0.911
45.0	0.845	0.854	0.869	0.889	0.901	0.919
45.5	0.853	0.862	0.877	0.897	0.909	0.927
46.0	0.861	0.871	0.886	0.905	0.917	0.935
46.5	0.869	0.879	0.894	0.913	0.925	0.943
47.0	0.877	0.887	0.902	0.921	0.933	0.951

Combined Test Weight and Pack Factors (Continued)

B Corn (Continued)

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
47.5	0.885	0.895	0.911	0.929	0.941	0.959
48.0	0.893	0.903	0.919	0.937	0.949	0.967
48.5	0.901	0.912	0.927	0.945	0.957	0.975
49.0	0.909	0.920	0.935	0.953	0.965	0.983
49.5	0.917	0.928	0.944	0.961	0.973	0.991
50.0	0.925	0.936	0.952	0.969	0.981	0.999
50.5	0.933	0.944	0.960	0.978	0.990	1.009
51.0	0.941	0.952	0.968	0.986	0.998	1.017
51.5	0.949	0.960	0.976	0.994	1.006	1.025
52.0	0.956	0.968	0.984	1.003	1.015	1.034
52.5	0.964	0.975	0.992	1.011	1.024	1.043
53.0	0.972	0.983	1.000	1.019	1.032	1.051
53.5	0.980	0.991	1.008	1.027	1.040	1.059
54.0	0.987	0.999	1.016	1.036	1.049	1.069
54.5	0.995	1.007	1.024	1.044	1.057	1.077
55.0	1.003	1.015	1.032	1.052	1.065	1.085
55.5	1.010	1.022	1.040	1.060	1.073	1.094
56.0	1.018	1.030	1.048	1.068	1.081	1.102
56.5	1.026	1.038	1.056	1.076	1.089	1.110
57.0	1.033	1.045	1.064	1.084	1.097	1.118
57.5	1.041	1.053	1.071	1.092	1.105	1.126
58.0	1.048	1.061	1.079	1.100	1.113	1.134
58.5	1.056	1.068	1.087	1.108	1.122	1.143
59.0	1.063	1.076	1.095	1.116	1.130	1.151
59.5	1.070	1.083	1.102	1.123	1.138	1.160
60.0	1.078	1.091	1.110	1.131	1.146	1.168
60.5	1.085	1.098	1.118	1.139	1.153	1.175
61.0	1.093	1.106	1.125	1.147	1.161	1.183
61.5	1.100	1.113	1.133	1.155	1.169	1.191
62.0	1.107	1.120	1.140	1.163	1.177	1.199
62.5	1.114	1.127	1.147	1.171	1.185	1.207
63.0	1.121	1.134	1.154	1.179	1.193	1.215
63.5	1.128	1.141	1.161	1.187	1.201	1.223
64.0	1.135	1.148	1.168	1.195	1.209	1.231

Combined Test Weight and Pack Factors (Continued)

C Grain Sorghum

Use the combined test weight and pack factor applicable to the test weight for **grain sorghum** to determine the measured quantity.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51" Bins	Over 2290 Sq. Ft. 54' Bins & Over
30.0	0.588	0.596	0.607	0.615	0.615	0.615
30.5	0.597	0.605	0.616	0.624	0.624	0.624
31.0	0.606	0.614	0.626	0.634	0.634	0.634
31.5	0.615	0.624	0.635	0.643	0.643	0.643
32.0	0.624	0.633	0.644	0.653	0.653	0.653
32.5	0.633	0.642	0.653	0.662	0.662	0.662
33.0	0.642	0.651	0.662	0.671	0.671	0.671
33.5	0.651	0.660	0.671	0.680	0.680	0.680
34.0	0.659	0.668	0.681	0.690	0.690	0.690
34.5	0.668	0.677	0.690	0.699	0.699	0.699
35.0	0.677	0.686	0.699	0.708	0.708	0.708
35.5	0.686	0.695	0.708	0.717	0.717	0.717
36.0	0.694	0.704	0.717	0.726	0.726	0.726
36.5	0.703	0.713	0.726	0.736	0.736	0.736
37.0	0.712	0.722	0.735	0.745	0.745	0.745
37.5	0.720	0.730	0.744	0.754	0.754	0.754
38.0	0.729	0.739	0.753	0.763	0.763	0.763
38.5	0.737	0.748	0.761	0.772	0.772	0.772
39.0	0.746	0.756	0.770	0.781	0.781	0.781
39.5	0.754	0.765	0.779	0.790	0.790	0.790
40.0	0.763	0.774	0.788	0.826	0.844	0.869
40.5	0.771	0.782	0.797	0.834	0.852	0.877
41.0	0.780	0.791	0.805	0.842	0.860	0.885
41.5	0.788	0.799	0.814	0.850	0.868	0.893
42.0	0.797	0.808	0.823	0.858	0.876	0.901
42.5	0.805	0.816	0.831	0.866	0.884	0.909
43.0	0.813	0.825	0.840	0.874	0.892	0.917
43.5	0.821	0.833	0.849	0.882	0.900	0.925
44.0	0.830	0.842	0.857	0.890	0.908	0.933
44.5	0.838	0.850	0.866	0.898	0.916	0.941
45.0	0.846	0.858	0.874	0.906	0.924	0.949
45.5	0.854	0.867	0.883	0.914	0.932	0.957
46.0	0.863	0.875	0.891	0.922	0.940	0.965
46.5	0.871	0.883	0.900	0.930	0.948	0.973
47.0	0.879	0.891	0.908	0.938	0.956	0.981

Combined Test Weight and Pack Factors (Continued)

C Grain Sorghum (Continued)

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
47.5	0.887	0.900	0.916	0.946	0.964	0.989
48.0	0.895	0.908	0.925	0.954	0.972	0.997
48.5	0.903	0.916	0.933	0.962	0.980	1.005
49.0	0.911	0.924	0.942	0.970	0.988	1.013
49.5	0.919	0.932	0.950	0.978	0.996	1.021
50.0	0.927	0.940	0.958	0.986	1.004	1.029
50.5	0.935	0.948	0.966	0.995	1.013	1.039
51.0	0.943	0.956	0.974	1.003	1.021	1.047
51.5	0.950	0.964	0.983	1.013	1.030	1.057
52.0	0.958	0.972	0.991	1.021	1.038	1.065
52.5	0.966	0.980	0.999	1.029	1.047	1.074
53.0	0.974	0.988	1.007	1.038	1.055	1.082
53.5	0.982	0.996	1.015	1.046	1.065	1.092
54.0	0.989	1.004	1.023	1.054	1.073	1.100
54.5	0.997	1.012	1.031	1.063	1.081	1.108
55.0	1.005	1.019	1.039	1.071	1.089	1.117
55.5	1.012	1.027	1.047	1.079	1.098	1.127
56.0	1.020	1.035	1.055	1.087	1.105	1.133
56.5	1.028	1.043	1.063	1.095	1.114	1.143
57.0	1.035	1.050	1.071	1.103	1.122	1.151
57.5	1.043	1.058	1.079	1.111	1.132	1.161
58.0	1.050	1.066	1.086	1.119	1.140	1.169
58.5	1.058	1.073	1.094	1.127	1.148	1.178
59.0	1.065	1.081	1.102	1.135	1.156	1.186
59.5	1.073	1.089	1.110	1.143	1.164	1.194
60.0	1.080	1.096	1.118	1.152	1.172	1.203
60.5	1.087	1.104	1.125	1.160	1.180	1.211
61.0	1.095	1.111	1.133	1.168	1.188	1.219
61.5	1.102	1.119	1.140	1.176	1.196	1.227
62.0	1.109	1.126	1.148	1.184	1.204	1.235

Combined Test Weight and Pack Factors (Continued)

D Oats

Use the combined test weight and pack factor applicable to the test weight for **oats** to determine the measured quantity.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
20.0	0.763	0.781	0.794	0.813	0.813	0.813
20.5	0.778	0.798	0.810	0.830	0.830	0.830
21.0	0.794	0.814	0.827	0.847	0.847	0.847
21.5	0.810	0.830	0.843	0.863	0.863	0.863
22.0	0.825	0.846	0.859	0.880	0.880	0.880
22.5	0.840	0.861	0.875	0.896	0.896	0.896
23.0	0.855	0.877	0.891	0.913	0.913	0.913
23.5	0.870	0.892	0.907	0.929	0.929	0.929
24.0	0.885	0.908	0.923	0.945	0.945	0.945
24.5	0.900	0.923	0.938	0.961	0.961	0.961
25.0	0.914	0.938	0.953	1.108	1.158	1.231
25.5	0.928	0.952	0.968	1.127	1.179	1.254
26.0	0.943	0.967	0.983	1.144	1.198	1.274
26.5	0.956	0.981	0.998	1.162	1.217	1.294
27.0	0.970	0.996	1.013	1.180	1.235	1.314
27.5	0.984	1.010	1.027	1.197	1.253	1.333
28.0	0.998	1.024	1.041	1.214	1.272	1.354
28.5	1.011	1.038	1.055	1.232	1.289	1.372
29.0	1.024	1.051	1.069	1.249	1.308	1.393
29.5	1.037	1.065	1.083	1.266	1.327	1.414
30.0	1.050	1.078	1.097	1.283	1.345	1.433
30.5	1.063	1.091	1.110	1.299	1.363	1.452
31.0	1.075	1.104	1.124	1.316	1.379	1.470
31.5	1.088	1.117	1.137	1.332	1.397	1.490
32.0	1.100	1.130	1.150	1.348	1.414	1.507
32.5	1.112	1.143	1.163	1.365	1.430	1.525
33.0	1.124	1.155	1.176	1.380	1.447	1.543
33.5	1.136	1.167	1.188	1.395	1.464	1.561
34.0	1.148	1.179	1.201	1.412	1.480	1.579
34.5	1.159	1.191	1.213	1.427	1.496	1.597
35.0	1.170	1.203	1.225	1.442	1.514	1.617
35.5	1.181	1.215	1.237	1.457	1.530	1.634
36.0	1.193	1.226	1.249	1.472	1.545	1.650
36.5	1.203	1.238	1.260	1.487	1.561	1.668
37.0	1.214	1.249	1.272	1.501	1.577	1.685

Combined Test Weight and Pack Factors (Continued)

D Oats (Continued)

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
37.5	1.225	1.260	1.283	1.515	1.592	1.701
38.0	1.235	1.271	1.294	1.530	1.606	1.717
38.5	1.245	1.281	1.305	1.544	1.622	1.735
39.0	1.255	1.292	1.316	1.558	1.637	1.751
39.5	1.265	1.302	1.327	1.572	1.653	1.768
40.0	1.275	1.313	1.338	1.585	1.667	1.784
40.5	1.285	1.323	1.348	1.599	1.682	1.801
41.0	1.294	1.333	1.358	1.612	1.696	1.815
41.5	1.303	1.342	1.368	1.626	1.711	1.832
42.0	1.313	1.352	1.378	1.639	1.724	1.847
42.5	1.321	1.361	1.388	1.651	1.738	1.862
43.0	1.330	1.371	1.398	1.664	1.752	1.877
43.5	1.339	1.380	1.407	1.677	1.764	1.891
44.0	1.348	1.389	1.416	1.689	1.779	1.908
44.5	1.356	1.398	1.425	1.702	1.793	1.923
45.0	1.364	1.406	1.434	1.715	1.807	1.938
45.5	1.372	1.415	1.443	1.728	1.821	1.953
46.0	1.380	1.423	1.452	1.741	1.835	1.968
46.5	1.388	1.431	1.460	1.754	1.849	1.983
47.0	1.395	1.439	1.469	1.767	1.863	1.998
47.5	1.403	1.447	1.477	1.780	1.877	2.013
48.0	1.410	1.455	1.485	1.793	1.891	2.028
48.5	1.417	1.463	1.493	1.806	1.905	2.043
49.0	1.424	1.470	1.501	1.819	1.919	2.058
49.5	1.431	1.477	1.508	1.832	1.933	2.073
50.0	1.438	1.484	1.516	1.845	1.947	2.088

Combined Test Weight and Pack Factors (Continued)

E Rice

Use the combined test weight and pack factor applicable to the test weight for **rice** to determine the measured quantity.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51" Bins	Over 2290 Sq. Ft. 54' Bins & Over
35.0	0.828	0.840	0.852	0.880	0.900	0.927
35.5	0.839	0.851	0.863	0.894	0.914	0.941
36.0	0.850	0.862	0.874	0.908	0.928	0.955
36.5	0.860	0.872	0.885	0.922	0.942	0.969
37.0	0.871	0.883	0.895	0.936	0.956	0.983
37.5	0.881	0.894	0.906	0.950	0.970	0.997
38.0	0.892	0.904	0.917	0.964	0.984	1.011
38.5	0.902	0.915	0.928	0.978	0.998	1.025
39.0	0.913	0.926	0.939	0.992	1.012	1.039
39.5	0.923	0.936	0.949	1.006	1.026	1.053
40.0	0.933	0.947	0.960	1.020	1.040	1.067
40.5	0.944	0.957	0.971	1.031	1.051	1.079
41.0	0.954	0.968	0.981	1.042	1.063	1.091
41.5	0.964	0.978	0.992	1.053	1.073	1.102
42.0	0.974	0.988	1.002	1.064	1.084	1.113
42.5	0.985	0.999	1.013	1.075	1.096	1.125
43.0	0.995	1.009	1.023	1.085	1.106	1.135
43.5	1.005	1.019	1.034	1.096	1.117	1.147
44.0	1.015	1.030	1.044	1.107	1.128	1.159
44.5	1.025	1.040	1.055	1.117	1.138	1.169
45.0	1.035	1.050	1.065	1.128	1.149	1.180
45.5	1.045	1.060	1.075	1.138	1.161	1.192
46.0	1.055	1.070	1.086	1.149	1.171	1.202
46.5	1.065	1.080	1.096	1.159	1.182	1.214
47.0	1.075	1.090	1.106	1.169	1.192	1.225
47.5	1.085	1.100	1.116	1.180	1.202	1.235
48.0	1.094	1.110	1.126	1.190	1.213	1.246
48.5	1.104	1.120	1.137	1.200	1.224	1.257
49.0	1.114	1.130	1.147	1.210	1.234	1.267
49.5	1.124	1.140	1.157	1.220	1.244	1.278
50.0	1.133	1.150	1.167	1.231	1.255	1.290
50.5	1.143	1.160	1.177	1.238	1.262	1.297
51.0	1.153	1.170	1.187	1.245	1.269	1.304
51.5	1.162	1.179	1.197	1.252	1.276	1.311
52.0	1.172	1.189	1.206	1.259	1.283	1.318

Combined Test Weight and Pack Factors (Continued)

E Rice (Continued)

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51" Bins	Over 2290 Sq. Ft. 54' Bins & Over
52.5	1.181	1.199	1.216	1.266	1.290	1.325
53.0	1.191	1.208	1.226	1.273	1.297	1.332
53.5	1.200	1.218	1.236	1.280	1.304	1.339
54.0	1.210	1.228	1.246	1.287	1.311	1.346
54.5	1.219	1.237	1.255	1.294	1.318	1.353
55.0	1.228	1.247	1.265	1.301	1.325	1.360

Combined Test Weight and Pack Factors (Continued)

F Soybeans

Use the combined test weight and pack factor applicable to the test weight for **soybeans** to determine the measured quantity.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51" Bins	Over 2290 Sq. Ft. 54' Bins & Over
40.0	0.719	0.727	0.739	0.745	0.757	0.774
40.5	0.727	0.735	0.747	0.753	0.765	0.782
41.0	0.735	0.743	0.755	0.761	0.773	0.790
41.5	0.743	0.751	0.763	0.769	0.781	0.798
42.0	0.750	0.759	0.771	0.777	0.789	0.806
42.5	0.758	0.767	0.780	0.785	0.797	0.814
43.0	0.766	0.775	0.788	0.793	0.805	0.822
43.5	0.774	0.783	0.796	0.801	0.813	0.830
44.0	0.782	0.791	0.804	0.809	0.821	0.838
44.5	0.790	0.798	0.812	0.817	0.829	0.846
45.0	0.797	0.806	0.820	0.825	0.837	0.854
45.5	0.805	0.814	0.828	0.833	0.845	0.862
46.0	0.813	0.822	0.836	0.841	0.853	0.870
46.5	0.820	0.830	0.844	0.849	0.861	0.878
47.0	0.828	0.837	0.851	0.857	0.869	0.886
47.5	0.836	0.845	0.859	0.865	0.877	0.894
48.0	0.843	0.853	0.867	0.873	0.885	0.902
48.5	0.851	0.860	0.875	0.881	0.893	0.910
49.0	0.858	0.868	0.883	0.889	0.901	0.918
49.5	0.866	0.876	0.891	0.897	0.909	0.926
50.0	0.873	0.883	0.898	0.905	0.917	0.934
50.5	0.881	0.891	0.906	0.913	0.925	0.942
51.0	0.888	0.898	0.914	0.921	0.933	0.951
51.5	0.896	0.906	0.921	0.928	0.940	0.957
52.0	0.903	0.913	0.929	0.936	0.948	0.966
52.5	0.910	0.921	0.937	0.943	0.955	0.973
53.0	0.918	0.928	0.944	0.951	0.963	0.981
53.5	0.925	0.936	0.952	0.959	0.971	0.990
54.0	0.932	0.943	0.959	0.966	0.978	0.997
54.5	0.940	0.951	0.967	0.974	0.986	1.005
55.0	0.947	0.958	0.974	0.982	0.994	1.013
55.5	0.954	0.965	0.982	0.989	1.001	1.020
56.0	0.961	0.973	0.989	0.997	1.010	1.029
56.5	0.969	0.980	0.997	1.004	1.016	1.035
57.0	0.976	0.987	1.004	1.012	1.025	1.044

Combined Test Weight and Pack Factors (Continued)

F Soybeans (Continued)

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51" Bins	Over 2290 Sq. Ft. 54' Bins & Over
57.5	0.983	0.994	1.012	1.019	1.032	1.051
58.0	0.990	1.001	1.019	1.027	1.040	1.060
58.5	0.997	1.009	1.026	1.034	1.047	1.067
59.0	1.004	1.016	1.033	1.041	1.054	1.074
59.5	1.011	1.023	1.041	1.049	1.062	1.083
60.0	1.018	1.030	1.048	1.056	1.069	1.090
60.5	1.025	1.037	1.055	1.063	1.076	1.097
61.0	1.032	1.044	1.062	1.071	1.084	1.105
61.5	1.039	1.051	1.070	1.078	1.091	1.112
62.0	1.046	1.058	1.077	1.085	1.098	1.119
62.5	1.053	1.065	1.084	1.092	1.105	1.126
63.0	1.059	1.072	1.091	1.099	1.112	1.133
63.5	1.066	1.079	1.098	1.106	1.119	1.140
64.0	1.073	1.086	1.105	1.113	1.126	1.147
64.5	1.080	1.093	1.112	1.120	1.133	1.154
65.0	1.087	1.100	1.119	1.127	1.140	1.161

Combined Test Weight and Pack Factors (Continued)

G Wheat

Use the combined test weight and pack factor applicable to the test weight for **wheat** to determine the measured quantity.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51" Bins	Over 2290 Sq. Ft. 54' Bins & Over
35.0	0.648	0.656	0.665	0.674	0.674	0.674
35.5	0.656	0.665	0.674	0.682	0.682	0.682
36.0	0.664	0.673	0.682	0.691	0.691	0.691
36.5	0.673	0.682	0.691	0.700	0.700	0.700
37.0	0.681	0.690	0.699	0.709	0.709	0.709
37.5	0.689	0.698	0.708	0.717	0.717	0.717
38.0	0.697	0.707	0.716	0.726	0.726	0.726
38.5	0.706	0.715	0.725	0.734	0.734	0.734
39.0	0.714	0.723	0.733	0.743	0.743	0.743
39.5	0.722	0.732	0.742	0.751	0.751	0.751
40.0	0.730	0.740	0.750	0.773	0.790	0.812
40.5	0.738	0.748	0.758	0.782	0.799	0.821
41.0	0.746	0.756	0.767	0.791	0.808	0.830
41.5	0.754	0.765	0.775	0.800	0.817	0.839
42.0	0.762	0.773	0.783	0.809	0.826	0.848
42.5	0.770	0.781	0.792	0.818	0.835	0.857
43.0	0.778	0.789	0.800	0.826	0.843	0.865
43.5	0.786	0.797	0.808	0.834	0.851	0.873
44.0	0.794	0.805	0.816	0.842	0.859	0.881
44.5	0.802	0.813	0.824	0.850	0.867	0.889
45.0	0.810	0.821	0.833	0.858	0.875	0.897
45.5	0.818	0.829	0.841	0.866	0.883	0.905
46.0	0.826	0.837	0.849	0.874	0.891	0.913
46.5	0.834	0.845	0.857	0.882	0.899	0.921
47.0	0.841	0.853	0.865	0.890	0.907	0.929
47.5	0.849	0.861	0.873	0.898	0.915	0.937
48.0	0.857	0.869	0.881	0.906	0.923	0.945
48.5	0.865	0.877	0.889	0.914	0.931	0.953
49.0	0.872	0.884	0.897	0.922	0.939	0.961
49.5	0.880	0.892	0.905	0.930	0.947	0.969
50.0	0.888	0.900	0.913	0.938	0.955	0.977
50.5	0.895	0.908	0.920	0.947	0.963	0.985
51.0	0.903	0.915	0.928	0.954	0.971	0.994
51.5	0.910	0.923	0.936	0.963	0.979	1.002
52.0	0.918	0.931	0.944	0.970	0.987	1.010

Combined Test Weight and Pack Factors (Continued)

G Wheat (Continued)

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
52.5	0.925	0.938	0.952	0.978	0.995	1.018
53.0	0.933	0.946	0.959	0.986	1.003	1.026
53.5	0.940	0.954	0.967	0.994	1.011	1.034
54.0	0.948	0.961	0.975	1.002	1.020	1.043
54.5	0.955	0.969	0.982	1.010	1.028	1.051
55.0	0.963	0.976	0.990	1.018	1.036	1.060
55.5	0.970	0.984	0.998	1.026	1.044	1.068
56.0	0.977	0.991	1.005	1.034	1.052	1.077
56.5	0.985	0.999	1.013	1.042	1.060	1.085
57.0	0.992	1.006	1.020	1.050	1.068	1.093
57.5	0.999	1.013	1.028	1.057	1.075	1.100
58.0	1.006	1.021	1.035	1.065	1.083	1.108
58.5	1.014	1.028	1.043	1.073	1.092	1.117
59.0	1.021	1.035	1.050	1.081	1.100	1.126
59.5	1.028	1.043	1.058	1.088	1.107	1.132
60.0	1.035	1.050	1.065	1.096	1.115	1.141
60.5	1.042	1.057	1.072	1.104	1.123	1.150
61.0	1.049	1.064	1.080	1.111	1.130	1.157
61.5	1.056	1.072	1.087	1.119	1.138	1.165
62.0	1.063	1.079	1.094	1.126	1.145	1.172
62.5	1.070	1.086	1.101	1.134	1.153	1.180
63.0	1.077	1.093	1.108	1.141	1.162	1.189
63.5	1.084	1.100	1.115	1.148	1.169	1.196
64.0	1.091	1.107	1.122	1.156	1.177	1.205

Nonrecourse Farm-Stored Loans

A Nonrecourse Farm-Stored Loans Nearing, At, or After Maturity

The following provides actions for nonrecourse farm-stored loans nearing, at, or after maturity.

IF the loan type is farm-stored nonrecourse, 45 calendar days before maturity, County Office must...	THEN on the day after maturity for all loans still outstanding, County Office must, if a warehouse to accept delivery is...	AND the subsequent action is...	Paragraph Reference
send the notification letter in subparagraph E to the producer according to paragraph 797	available, prepare and send letter in subparagraph F and include CCC-691 for delivery regardless of whether CCC-681-1 has been issued Notes: In CLPS: • compute the total principal and interest due on the day after maturity • screen print the total amount due and retain in the loan folder. Apply any repayments received from the producer to the loan in CLPS.	for warehouse delivery, if delivered by the expiration date or extended expiration date of CCC-691, County Office must: • complete settlement according to Part 8 • establish a manual receivable in NRRS according to 64-FI to match the amount on due CCC on the CCC-692 • in NRRS, enter the following dates according to 64-FI: • date of subparagraph E letter as initial notification letter • date of subparagraph F letter as first demand letter Note: All subsequent letters for amounts due CCC from this point forward will be generated through NRRS and offsets will be taken from any payments due the producer. • apply any collections from the producer to the receivable in NRRS.	797, 800, 801

Nonrecourse Farm-Stored Loans (Continued)

A Nonrecourse Farm-Stored Loans Nearing, At, or After Maturity (Continued)

IF the loan type is farm-stored nonrecourse, 45 calendar days before maturity County Office must ...	THEN on the day after maturity for all loans still outstanding, County Office must, if a warehouse to accept delivery is ...	AND the subsequent action is...	Paragraph Reference
send the notification letter in subparagraph E to the producer according to paragraph 797	available, prepare and send letter in subparagraph F and include CCC-691 for delivery regardless of whether CCC-681-1 has been issued Notes: In CLPS: • compute the total principal and interest due on the day after maturity • screen print the total amount due and retain in the loan folder. Apply any repayments received from the producer to the loan in CLPS.	for warehouse delivery, not delivered by the expiration date or extended expiration date of CCC-691, County Office must: • prepare and send foreclosure letter in subparagraph H • begin foreclosure action 15 calendar days after the date foreclosure letter in subparagraph H is sent by arranging for trucks to haul the grain to the warehouse for delivery to CCC • complete settlement according to Part 8 including expenses incurred during delivery following foreclosure action • after settlement, establish a manual receivable in NRRS according to 64-FI to match the amount on the “Transfer to Claims Report” • in NRRS, enter the following dates according to 64-FI: • date of subparagraph E letter as initial notification letter • date of subparagraph F letter as first demand letter Note: All subsequent letters for amounts due CCC from this point forward will be generated through NRRS and offsets will be taken from any payments due the producer. • deposit any collections from the producer to the receivable in NRRS. Note: On the 31st day from date when letter in subparagraph F is sent even though CCC-691 has not expired, the County Office will prepare and send producer the 2nd demand letter according to 58-FI.	797, 801, 866

Nonrecourse Farm-Stored Loans (Continued)

A Nonrecourse Farm-Stored Loans Nearing, At, or After Maturity (Continued)

IF the loan type is farm-stored nonrecourse, 45 calendar days before maturity County Office must ...	THEN on the day after maturity for all loans still outstanding, County Office must...	AND the subsequent action is...	Paragraph Reference
send the notification letter in subparagraph E to the producer according to paragraph 797	- if a warehouse to accept delivery is not available or conditions in subparagraph 856 A are applicable: - proceed with local sale following procedure in paragraphs 856 through 862 - prepare and send letter in subparagraph G - in CLPS: - compute the total principal and interest due on the day after maturity - screen print the total amount due and retain in the loan folder - apply any repayments received from the producer to the loan in CLPS.	for loans being settled as a local sale, County Office will: - proceed according to paragraphs 856 through 862 - deposit sales proceeds in NRRS according to 64-FI using program code "XXCOMMLOSA" - complete settlement according to Part 8 and subparagraph 862 C using weight and grade information on CCC-691 adding any CCC incurred sales expenses. When settlement has been completed, if a balance is owed CCC: - establish a manual receivable in NRRS according to 64-FI to match the amount on the CCC-692, and enter the date of letters in: subparagraph E as initial notification letter subparagraph G as first demand letter Note: All subsequent letters for amounts due CCC from this point forward will be generated through NRRS and offsets will be taken from any payments due the producer. - apply any collections from the producer to the receivable in NRRS. Note: On the 31st day from date when letter in subparagraph G is sent even though the bid process for the local sale may not be concluded, the County Office will prepare and send 2nd demand letter according to 58-FI.	797, 800, 856-862

Nonrecourse Farm-Stored Loans (Continued)

B Example 1, Warehouse is Available to Take Delivery

Nonrecourse loan for 1,000 bu. of corn matures on August 31, 20xx.

The following is an example of the steps to be followed for nonrecourse farm-stored loans nearing, at, or after maturity.

Step	Date	Action
1	July 16, 20xx	County Office must prepare and send the 45 calendar day notification letter in subparagraph E to producer.
2	August 31, 20xx	Loan matures.
3	September 1, 20xx	Day after loan maturity and loan is outstanding. County Office must prepare and send demand letter in subparagraph F with CCC-691, regardless of whether CCC-681-1 has been issued and has not expired, giving producer 15 calendar days to deliver commodity. In CLPS, County Office will: • compute the total principal and interest due on the day after maturity • screen print the total amount due and retain in the loan folder.
4	September 14, 20xx	County Office will: • receive CCC-691 from warehouse with delivery information and warehouse receipt • complete settlement according to procedure in Part 8, including issuance of additional payment, if applicable • establish a manual receivable in NRRS according to 64-FI to match the amount due CCC on the CCC-692 • enter, according to 64-FI, the dates of letter in subparagraph E as initial notification letter and letter in subparagraph F as first demand letter Note: All applicable demand letters from this point forward will be generated through NRRS and offsets will be taken from any payments due the producer. • apply any collections for amounts owed by the producer to the receivable in NRRS.

Nonrecourse Farm-Stored Loans (Continued)

C Example 2, Warehouse Available to Take Delivery but Not Delivered by Expiration Date

Nonrecourse loan for 1,000 bu. of corn matures on August 31, 20xx.

The following is an example of the steps to be followed for nonrecourse farm-stored loans nearing, at or after maturity.

Step	Date	Action
1	July 16, 20xx	County Office must prepare and send 45 calendar day notification letter in subparagraph E to producer.
2	August 31, 20xx	Loan matures.
3	September 1, 20xx	Day after loan maturity and loan is outstanding. County Office must prepare and send demand letter in subparagraph F with CCC-691, regardless of whether CCC-681-1 has been issued and has not expired, giving 15 calendar days to deliver commodity. In CLPS, County Office will: • compute the total principal and interest due on the day after maturity • screen print the total amount due and retain in the loan folder.
4	September 16, 20xx	Producer requests in writing additional time to deliver commodity to warehouse. He is hauling commodity in himself, has 1 load delivered and is having equipment problems. The expiration date of CCC-691 is extended another 15 calendar days to October 1, 20xx.
5	October 1, 20xx	Extended expiration date of CCC-691.
6	October 2, 20xx	County Office must: • contact warehouse and inquires to status of delivery and is told that producer has only delivered the one load or 400 bu. • contact producer and is told that he just has not had time to finish delivery • prepare and send: • foreclosure letter in subparagraph H giving producer 15 calendar days to repay or complete delivery • 2nd demand letter according to 58-FI.

Nonrecourse Farm-Stored Loans (Continued)

**C Example 2, Warehouse Available to Take Delivery but Not Delivered by Expiration Date.
(Continued)**

Step	Date	Action
7	October 17, 20xx	Loan is outstanding and no additional delivery has occurred. County Office will make arrangements to haul remaining commodity from the farm to warehouse for delivery to CCC.
8	October 27, 20xx	Commodity hauled to warehouse by CCC arranged trucks.
9	November 2, 20xx	County Office will: • receive CCC-691 from warehouse with delivery information and warehouse receipt • receive bill for trucking • complete settlement according to procedure in Part 8 and include trucking expense • if producer owes CCC, manually establish a receivable in NRRS according to 64-FI to match the amount owed on the CCC-692 • enter, according to 64-FI, the dates of the letters in subparagraph E as initial notification letter and subparagraph F as first demand letter Note: All applicable demand letters from this point forward will be generated through NRRS and offsets will be taken from any payments due the producer. • apply any collections from the producer to the receivable in NRRS.

Nonrecourse Farm-Stored Loans (Continued)

D Example 3, CCC is Unable to Find a Warehouse to Take Commodity as Delivery to CCC or Conditions in Subparagraph 856 A are Applicable

Nonrecourse loan for 1,000 bu. of corn matures on August 31, 20xx.

The following is an example of the steps to be followed for nonrecourse farm-stored loans nearing, at, or after maturity.

Step	Date	Action
1	July 16, 20xx	County Office must prepare and send the 45 calendar day notification letter in subparagraph E to producer.
2	August 31, 20xx	Loan matures.
3	September 1, 20xx	Day after loan maturity and loan is outstanding. CCC is unable to find a local warehouse willing to take the commodity as a delivery to CCC and it is not cost effective to pay excess haul. Loan must be settled through a local sale if not repaid by producer. After receiving authorization from the State Office to settle loan as a local sale, County Office must prepare and send demand letter in subparagraph G giving producer 15 calendar days to repay before announcing the local sale. In CLPS, County Office will: • compute the total principal and interest due on the first day after maturity • screen print the total amount due and retain in the loan folder.
4	September 16, 20xx	Loan is outstanding. County Office will announce the sale of the commodity and give bidders 15 calendar days to submit their bids according to paragraph 858.
5	October 1, 20xx	Fifteen day bid acceptance period ends at COB.
6	October 2, 20xx	Loan is outstanding. County Office will, according to paragraphs 859 - 861: • open bids and record on CCC-639 • request and receive verbal State Office approval of final bid Note: State Office must follow-up with written approval of final bid within 3 calendar days after verbal approval is given. • notify successful bidder of bid acceptance and give 15 calendar days to pay for commodity and remove per sales announcement • issue CCC-691 to borrower directing delivery to the purchaser F.O.B., purchaser's conveyance at the storage location.

Nonrecourse Farm-Stored Loans (Continued)

D Example 3, CCC is Unable to Find a Warehouse to Take Commodity as Delivery to CCC or Conditions in Subparagraph 856 A are Applicable (Continued)

Step	Date	Action
7	October 14, 20xx	County Office must, according to paragraph 862: • make arrangements with producer and buyer for the transfer of the commodity • supervise the delivery • make arrangements for the commodity to be weighed as hauled to determine exact quantity • draw a representative sample for initial grade determination by a licensed grading laboratory. Successful buyer must pay for the commodity: • immediately after commodity is moved and weighed but within 15 calendar days after notification of successful bid • by check, certified check, or money order; other methods may be approved by CED. County Office will deposit buyers check in NRRS using program code “XXCOMMLOSA” according to 64-FI. Note: Do not apply the sales proceeds to the loan principal. Settlement is completed without regard to the sales proceeds received from the buyer.

Nonrecourse Farm-Stored Loans (Continued)

D Example 3, CCC is Unable to Find a Warehouse to Take Commodity as Delivery to CCC or Conditions in Subparagraph 856 A are Applicable (Continued)

Step	Date	Action
8	October 18, 20xx	County Office will: • enter the weight, grade, and local sales information on CCC-691, Part B • enter all CCC incurred sales expenses associated with the local sale • complete settlement according to Part 8 and subparagraph 862C based on weights and grading factors and not sales proceeds received from the buyer • manually establish a receivable in NRRS according to 64-FI, to match the amount due CCC on the CCC-692 • enter, according to 64-FI, the dates of letters in subparagraph E as initial notification letter and subparagraph G as first demand letter according to 64-FI Note: All applicable demand letters from this point forward will be generated through NRRS and offsets will be taken from any payments due the producer. • apply any collections from the producer to the receivable in NRRS.

Nonrecourse Farm-Stored Loans (Continued)

E Farm-Stored Nonrecourse Loan 45 Calendar Day Maturity Notification Letter

UNITED STATES DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 _____ COUNTY FSA OFFICE
 ADDRESS
 CITY, STATE, ZIP CODE
 TELEPHONE

(Date)

Producer's Name
 Address
 City, State, Zip Code

Dear (Producer's Name):

This is to notify you that your (**crop year, commodity**) farm-stored loan (**loan number**) will mature on (**maturity date**).

You may repay the loan on or before the loan maturity date with a check, certified check or money order. Interest will continue to accrue on a daily basis until the amount due is repaid. Contact this office for the exact repayment amount computed to the date we will receive your check. If applicable, posted county price repayments are only allowed on collateral either repaid by maturity or delivered to buyer under an approved marketing authorization by the loan maturity date.

On the day after maturity, title to the unredeemed collateral will be transferred to Commodity Credit Corporation (CCC) upon demand and the commodity will be delivered to CCC. Delivery instructions on CCC-691, Commodity Delivery Notice, will be issued on the first day after loan maturity if the loan is not repaid by the maturity date. If after delivery of the commodity to CCC there is an amount due, a receivable will be established.

CCC will initiate foreclosure proceedings if:

- principal and charges, plus interest, are not repaid within 30 calendar days after maturity
- delivery of the loan collateral to CCC is not completed by the expiration date or extended expiration of CCC-691 sent the day after maturity

If this debt is not resolved, this agency reserves the right to use all additional collection actions available to recover the debt. The debt may be collected by internal administrative offset from any CCC or Farm Service Agency payments that may be due you. Additional action that may be taken to recover the debt include the assessment of late payment interest, administrative costs, and penalties; administrative wage garnishment; collecting the debt by offset of any eligible federal and state payments, including any income tax refunds; referring the debt for litigation (if collection administratively is unsuccessful); and reporting the debt to the Internal Revenue Service if the debt, or any portion of the debt, is discharged. Once your debt is more than 180 days delinquent, we are required to refer the debt to the Department of Treasury for collection.

You may contact this office to review records related to this debt or to receive an explanation of the debt. You may also obtain a copy of records, subject to a copying charge.

Nonrecourse Farm-Stored Loans (Continued)**E Farm-Stored Nonrecourse Loan 45 Calendar Day Maturity Notification Letter (Continued)**

Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures.

Please indicate your intentions on the enclosed sheet, sign, date, and return to the address shown above on or before (**maturity date**).

Sincerely,

County Executive Director
_____ County FSA Office

USDA is an Equal Opportunity Provider, Employer and Lender.

Producers Name _____

Loan Number _____

Crop Year _____

Commodity _____

Maturity Date _____

I INTEND TO DO THE FOLLOWING WITH THE LOAN IDENTIFIED ABOVE (*check one*):

_____ REPAY WITH CHECK, CERTIFIED CHECK OR MONEY ORDER

_____ DELIVER THE ELIGIBLE COMMODITY TO CCC AFTER MATURITY

(Producer's Signature) (Date)

Please return this intention by (Maturity date).

Mail to: (County Name) County FSA Office
(Mailing Address)
(City, State, ZIP Code)

Nonrecourse Farm-Stored Loans (Continued)

F Farm-Stored Nonrecourse Loan 1st Demand Letter With Delivery to CCC

UNITED STATES DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 _____ COUNTY FSA OFFICE
 ADDRESS
 CITY, STATE, ZIP CODE
 TELEPHONE

(Date)

Producer's Name
 Address
 City, State, Zip Code

Dear (Producer's Name):

You were notified on (date of loan maturity notification letter) that your (year)-crop (commodity type) loan (number) would be due and payable on or before (maturity date). The loan has matured and the debt has not been repaid. Commodity Delivery Notice, CCC-691, which includes delivery instructions, is enclosed. Delivery of the commodity **must be completed** by the final date to deliver as shown on the enclosed CCC-691. You should immediately contact this office if the delivery will be delayed. Interest will continue to accrue until the amount due is repaid.

The following apply if the principal and charges plus interest, \$_____ as of the date of this letter, are not repaid within 30 calendar days from the date of this letter **or** delivery of the loan collateral to Commodity Credit Corporation (CCC) is not completed by the expiration date or extended expiration date of the enclosed CCC-691:

- foreclosure proceedings will begin and CCC will take actions to remove the entire loan quantity. You will be responsible for any expenses incurred by CCC in the delivery of the commodity
- the amount due will be recorded for offset from any Farm Service Agency (FSA) or CCC payments due you
- the amount due may be reported to other Federal Agencies for offset from any amounts due you.

If you chose to deliver your commodity to CCC instead of repaying the loan amount due, after delivery to CCC has been completed under the enclosed CCC-691:

- the loan will be settled based on the loan rate and adjusted for any applicable premiums and discounts
- any amounts owed CCC will be transferred to FSA's receivable system, payment will be requested, and may also be reported to other Federal Agencies for offset from any amounts that may be due you
- late payment interest, based on the rate established by the Department of Treasury, will be applied to your receivable on a daily basis from the date of this letter until the receivable is paid in full. FSA/CCC will waive late payment interest on your receivable that is paid in the next 30 calendar days.

If payment in full is not made within 90 calendar days from the date of this letter, an additional 3 percent interest will be assessed on the unpaid balance of the receivable retroactively from the date of this letter.

Because this receivable may be collected by offset of your federal income tax refunds, you may present, within 60 calendar days from the date of this letter, evidence that all or part of the receivable is not past due or legally enforceable. To do so, please submit to this office a written explanation of your position that the receivable or part of the receivable is not past due or legally enforceable, and include documentation to support your position.

Nonrecourse Farm-Stored Loans (Continued)

F Farm-Stored Nonrecourse Loan 1st Demand Letter With Delivery to CCC (Continued)

Under Federal law and regulations, the following additional actions may be taken by the United States Department of Agriculture and the Department of the Treasury to collect delinquent receivables:

- assessment of interest, administrative costs, and penalties
- administrative garnishment of wages
- offset of CCC and FSA payments
- referral of the receivable to Treasury for offset from any Federal payments after 180 days
- reporting of the receivable to credit reporting agencies
- reporting the receivable to private collection agencies by Treasury designated collection centers
- referral of the receivable to agency counsel or the Department of Justice for litigation
- reporting of the receivable to the Internal Revenue Service if any part of the debt is discharged.

If this receivable is not resolved, you may be ineligible for additional financial assistance in the form of loans, loan guarantees, or mortgage insurance through USDA's Rural Development.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the FSA County Office Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the FSA County Office Committee, you have the right to an informal hearing which you or your representatives may attend personally or by telephone. If you appeal this determination to the FSA County Committee, you may later appeal an adverse determination of the FSA County Office Committee to the FSA State Office Committee or National Appeals Division. To appeal, write to the FSA County Office Committee at the following address and explain why you believe this determination is erroneous. **(Insert COC address.)**

You may contact this office to review records related to this debt or to receive an explanation of the debt. You may obtain a copy of the records, subject to a copying charge.

Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures.

Please contact this office at **(telephone number)** if you have any questions. We want to work with you to resolve this debt.

Sincerely,

County Executive Director
 _____ County FSA Office

USDA is an Equal Opportunity Provider, Employer and Lender.

Nonrecourse Farm-Stored Loans (Continued)

G Farm-Stored Nonrecourse Loan 1st Demand Letter - Local Sale

UNITED STATES DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 _____ COUNTY FSA OFFICE
 ADDRESS
 CITY, STATE, ZIP CODE
 TELEPHONE

(Date)

Producer's Name
 Address
 City, State, Zip Code

Dear (Producer's Name):

You were notified on (date of loan maturity notification letter) that your (year)-crop (commodity type) loan (number) would be due and payable on or before (maturity date). The loan has matured and has not been repaid.

Commodity Credit Corporation (CCC) has been unable to find a warehouse authorized to accept your (commodity) as a delivery to CCC. Because of this, CCC will settle your loan through our local sales provisions.

You may still repay your loan in full at principal and charges plus interest, \$_____ as of the date of this letter, at any time before CCC accepts the highest bid offered under the local sale.

Under local sales provisions, CCC will:

- in 15 calendar days, announce the sale of your commodity on an "as is where is" basis where the buyer takes control of the commodity at the storage location and is responsible for all handling and transport to remove the commodity from the storage facility
- accept sealed bids at the County Office for 15 calendar days after the sale is announced
- accept the highest bid.

The highest bidder must:

- remove the commodity at their own expense
- have the commodity weighed
- pay CCC the agreed upon price within 15 workdays after the date of sale or immediately after removal.

CCC must obtain an official grade determination on the commodity from a licensed grading laboratory to use in settling the loan.

Nonrecourse Farm-Stored Loans (Continued)**G Farm-Stored Nonrecourse Loan 1st Demand Letter - Local Sale (Continued)**

After the local sale has been completed:

- CCC will settle your loan based on the loan rate, adjusted for premiums and discounts from the official grade and the quantity determined from the weight. The sales proceeds will not be a factor in the loan settlement.
- any amounts you owe CCC will be transferred to Farm Service Agency's (FSA) receivable system, and payment will be requested. Also, any amounts not paid may be reported to other Federal Agencies for offset from any other program amounts that may be due you
- late payment interest, based on the rate established by the Department of Treasury, will be applied to your receivable on a daily basis from the date of this letter until the receivable is paid in full. FSA/CCC will waive late payment interest on your receivable that is paid in the next 30 calendar days.

If payment in full is not made within 90 calendar days from the date of this letter, an additional 3 percent interest will be assessed on the unpaid balance of the receivable retroactively from the date of this letter.

Because this receivable may be collected by offset from your federal income tax refunds, you may wish to present, within 60 calendar days from the date of this letter, evidence to CCC that all or part of the debt is not past due or legally enforceable. To do so, please submit to this office a written explanation of your position that the debt or part of the debt is not past due or legally enforceable, and include documentation to support your position.

Under Federal law and regulations, the following additional actions may be taken by the United States Department of Agriculture and the Department of the Treasury to collect delinquent receivables:

- assessment of interest, administrative costs, and penalties
- administrative garnishment of wages
- offset of CCC and FSA payments
- referral of the receivable to Treasury for offset from any Federal payments after 180 days
- reporting of the receivable to credit reporting agencies
- reporting the receivable to private collection agencies by Treasury designated collection centers
- referral of the receivable to agency counsel or the Department of Justice for litigation
- reporting of the receivable to the Internal Revenue Service if any part of the debt is discharged.

If this debt is not resolved, you may be ineligible for additional financial assistance in the form of loans, loan guarantees, or mortgage insurance through USDA's Rural Development.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the FSA County Office Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the FSA County Office Committee, you have the right to an informal hearing which you or your representatives may attend personally or by telephone. If you appeal this determination to the FSA County Committee, you may later appeal an adverse determination of the FSA County Office Committee to the FSA State Office Committee or National Appeals Division. To appeal, write to the FSA County Office Committee at the following address and explain why you believe this determination is erroneous. **(Insert COC address.)**

You may contact this office to review records related to this debt or to receive an explanation of the debt. You may obtain a copy of the records, subject to a copying charge.

Nonrecourse Farm-Stored Loans (Continued)**G Farm-Stored Nonrecourse Loan 1st Demand Letter - Local Sale (Continued)**

Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures.

Please contact this office at (**telephone number**) if you have any questions. We want to work with you to resolve this debt.

Sincerely,

County Executive Director
_____ County FSA Office

USDA is an Equal Opportunity Provider, Employer and Lender.

Nonrecourse Farm-Stored Loans (Continued)

H Farm-Stored Nonrecourse Loan Foreclosure Letter

UNITED STATES DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 _____ COUNTY FSA OFFICE
 ADDRESS
 CITY, STATE, ZIP CODE
 TELEPHONE

(Date)

Producer's Name
 Address
 City, State, Zip Code

Dear (Producer's Name):

This concerns (year) crop (commodity) loan (number) which matured on (date). You have not liquidated this loan by repayment or delivery of the collateral as advised in our letter to you dated (date of 1st demand letter).

Because settlement has not been completed, Commodity Credit Corporation (CCC) will start foreclosure action. CCC may, to the extent permitted by law, enter your farm premises and remove the entire loan quantity. We will arrange for trucks to haul the grain. The settlement will be based on the loan rate adjusted for premiums and discounts, not the market value of the commodity. You will be charged for all expenses associated with the taking possession of and delivery of the commodity.

If you do not settle the loan promptly, you may also be jeopardizing your right to future farm-stored loans.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the FSA County Office Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the FSA County Office Committee, you have the right to an informal hearing which you or your representatives may attend personally or by telephone. If you appeal this determination to the FSA County Committee, you may later appeal an adverse determination of the FSA County Office Committee to the FSA State Office Committee or National Appeals Division. To appeal, write to the FSA County Office Committee at the following address and explain why you believe this determination is erroneous. (Insert COC address.)

You may contact this office to review records related to this debt or to receive an explanation of the debt. You may obtain a copy of the records, subject to a copying charge.

Please contact this office immediately for the current repayment amount or questions regarding this debt.

If your loan is not repaid within 15 calendar days of the date of this letter, CCC will begin arranging for trucks to deliver your commodity to CCC.

Sincerely,

County Executive Director
 _____ County FSA Office

USDA is an Equal Opportunity Provider, Employer and Lender.

Recourse Loans

A Recourse Loans Nearing, At, or After Maturity

The following provides actions for recourse loans nearing, at, or after maturity.

IF the loan type is recourse, 45 calendar days before maturity County Office must send the notification letter in...	THEN on the first day after maturity for loans still outstanding, County Office must...	AND the subsequent action is...	Paragraph Reference
subparagraph C according to paragraph 797	send letter in subparagraph D and: - in CLPS: - compute the total principal and interest due on the day after maturity - screen print the total amount due and retain in the loan folder - establish manual receivables in NRRS according to 64-FI and FI directives to match the principal and interest computed in CLPS Note: In NRRS, enter the following dates according to 64-FI: - subparagraph C letter as initial notification letter - subparagraph D letter as first demand letter. - apply any repayments received from the producer to the receivables in NRRS.	if the receivable is not repaid by the 15 calendar day after maturity: - continue to accept and apply any repayments from the producer to the receivables - begin foreclosure action by sending foreclosure letter in subparagraph E to inform the producer that the loan will be settled through a local sale according to paragraphs 856 through 862, if not repaid in 15 calendar days - announce the sale of the commodity 15 calendar days after the date of the foreclosure letter in subparagraph E. When local sale is completed, according to paragraphs 856 through 862: - establish a new receivable to include expenses CCC incurred during the foreclosure action according to 64-FI - apply local sales proceeds to the established receivables, according to subparagraph 861 D. All subsequent demand letters for amounts due CCC will be generated through NRRS and offsets will be taken from any payments due the producer.	797, 856-862, 866

Recourse Loans (Continued)

B Example of Recourse Loan Nearing, At, and After Maturity

Recourse loan for 1,000 bu. of corn matures on August 31, 20xx.

The following is an example of the steps to be followed for recourse loans nearing, at, and after maturity.

Step	Date	Action
1	July 16, 20xx	County Office must send 45-calendar-day notification letter in subparagraph C to producer.
2	August 31, 20xx	Loan matures.
3	September 1, 20xx	Day after loan maturity and loan is outstanding. County Office must: • send demand letter in subparagraph D • manually establish receivables in NRRS according to 64-FI and FI directives to match the principal and interest computed in CLPS • follow 64-FI to enter the following dates in NRRS: • subparagraph C letter - initial notification letter • subparagraph D letter – first demand letter. • apply any repayments received from the producer to the receivables in NRRS.
4	September 16, 20xx	Receivable is outstanding. County Office will begin foreclosure action by sending foreclosure letter from subparagraph E informing producer that if the receivable is still outstanding in 15 calendar days, arrangements will be made to sell the loan collateral through the local sales option.
5	October 1, 20xx	Receivable is outstanding County Office will announce the sale of the commodity, according to paragraph 858, and give bidders 15 calendar days to submit their bids. NRRS will automatically send producer the second demand letter 30 calendar days after first demand letter.
6	October 16, 20xx	15-calendar-day bid acceptance period ends at COB.

Recourse Loans (Continued)

B Example of Recourse Loan Nearing, At, and After Maturity (Continued)

Step	Date	Action
7	October 17, 20xx	County Office will, according to paragraphs 859 through 862: • open bids and record on CCC-639 • request and receive verbal State Office approval for final bid Note: State Office must follow-up with written approval within 3 calendar days after verbal approval is given. • notify successful bidder of bid acceptance and give 15 calendar days to pay for commodity and remove per sales announcement.
8	As soon as determined	County Office will establish new receivables to include any expenses, such as advertising, or other costs CCC incurred during the foreclosure action according to 64-FI.
9	November 1, 20xx	County Office will make arrangements: • with the producer and buyer to supervise the delivery • for the commodity to be weighed as hauled to determine the exact quantity. Successful bidder must pay for the commodity: • immediately after the commodity is moved and weighed • in cash or by money order, certified check, or cashier's check; other methods may be approved by CED • within 15 calendar days after notification of the successful bid. County Office will: • apply local sales proceeds to the established receivables according to subparagraph 861 D • pay excess amount, if applicable, to the producer following NRRS procedure according to 64-FI.

Recourse Loans (Continued)

B Example of Recourse Loan Nearing, At, and After Maturity (Continued)

Step	Date	Action
10	Ongoing receivable servicing	NRRS will: • continue sending applicable demand letters to the producer for any amounts still owed • offset payments due the producer and apply to receivables • continue to service receivable until paid in full • refer outstanding debts to TOP's when 180 calendar days delinquent.

Recourse Loans (Continued)

C Recourse Loan 45-Calendar Day Maturity Notification Letter

UNITED STATES DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 _____ COUNTY FSA OFFICE
 ADDRESS
 CITY, STATE, ZIP CODE
 TELEPHONE

(Date)

Producer's Name
 Address
 City, State, Zip Code

Dear (Producer's Name):

Your (year) crop (commodity) recourse loan (loan number) will mature (maturity date).

The only option available **on or before the maturity date** is to repay the principal and charges, plus interest, by check, certified check or money order. As interest accrues on a daily basis, please contact this office for the exact repayment amount computed to the date we will receive your check.

The following apply if the loan is not repaid on or before the maturity date:

- the loan principal and charges plus interest will be transferred to the Farm Service Agency (FSA) receivable system on the first day after loan maturity
- Commodity Credit Corporation (CCC) may begin foreclosure proceedings to sell the commodity securing this receivable through a local sale. You will be responsible for any expenses incurred by CCC for the local sale where the collateral will be sold to the highest bidder. Proceeds from the sale will be applied to the receivable and you will be responsible for any remaining amount due. If there are no successful bidders, you will owe the entire amount of the receivable.
- the amount due CCC will be recorded for offset from any FSA or CCC payments due you
- the amount due CCC may be reported to other Federal Agencies for offset from any amount due you.

If the receivable is not resolved, this Agency reserves the right to use all additional collection actions available to recover the receivable including internal administrative offsets from any CCC or FSA payments due you. Additional actions that may be taken to recover the receivable include the assessment of late payment interest, administrative costs, and penalties; administrative wage garnishment; collecting the receivable by offset of any eligible federal and state payments including any income tax refunds; referring the receivable for litigation (if collection administratively is unsuccessful); and reporting the receivable to the Internal Revenue Service if the receivable, or any portion of the receivable, is discharged. Once your receivable is more than 180 days delinquent, we are required to refer the receivable to the Department of Treasury for collection.

Recourse Loans (Continued)

C Recourse Loan 45-Calendar Day Maturity Notification Letter (Continued)

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the FSA County Office Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the FSA County Office Committee, you have the right to an informal hearing which you or your representatives may attend personally or by telephone. If you appeal this determination to the FSA County Office Committee, you may later appeal an adverse determination of the FSA County Office Committee to the FSA State Office Committee or National Appeals Division. To appeal, write to the FSA County Office Committee at the following address and explain why you believe this determination is erroneous. **(Insert COC address.)**

You may contact this office to review records related to this debt or to receive an explanation of the debt. You may also obtain a copy of the records, subject to a copying charge.

Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures.

Please indicate your intentions on the enclosed sheet, sign, date, and return to the address shown above on or before **(maturity date)**.

If you should need further assistance, please feel free to contact the FSA County Office.

Sincerely,

County Executive Director
_____ County FSA Office

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Recourse Loans (Continued)**C Recourse Loan 45-Calendar Day Maturity Notification Letter (Continued)****Producers Name** _____**Loan Number** _____**Crop Year** _____**Commodity** _____**Maturity Date** _____

I INTEND, ON OR BEFORE THE LOAN MATURITY DATE, FOR THE LOAN IDENTIFIED ABOVE, TO REPAY THE LOAN PRINCIPAL PLUS INTEREST WITH CHECK, CERTIFIED CHECK OR MONEY ORDER.

(Producer's Signature) (Date)**Please return this intention by (Maturity date).**

Mail to: (County Name) County FSA Office
(Mailing Address)
(City, State, ZIP Code)

Recourse Loans (Continued)

D Recourse Loan 1st Demand Letter

UNITED STATES DEPARTMENT OF AGRICULTURE
 FARM SERVICE AGENCY
 _____ COUNTY FSA OFFICE
 ADDRESS
 CITY, STATE, ZIP CODE
 TELEPHONE

(Date)

Producer's Name
 Address
 City, State, Zip Code

Dear (Producer's Name):

You were notified on (date of loan notification letter) that your (year)-crop (commodity type) loan (number) would be due and payable on or before (maturity date). The loan has matured and the debt has not been repaid.

As of the date of this letter, the principal and charges, plus interest, owed on this loan are \$ _____. This loan was transferred to the Farm Service Agency (FSA) receivable system today where interest will continue to accrue on a daily basis. Any payments you make on loan (number) will be applied to the receivable. The total amount due will be recorded for offset from any FSA or Commodity Credit Corporation (CCC) payments due you.

The following actions are now applicable to this receivable:

- foreclosure proceedings will begin and CCC will take action to sell the commodity securing this receivable through local sale by offering the collateral for sale to the highest bidder. If there are no successful bidders or the sales proceeds do not fully repay the receivable, you will be notified of the amount due CCC. You will also be responsible for any expenses CCC incurs during the foreclosure action
- the amount due CCC may be reported to other Federal Agencies for offset from any amount due you.

Late payment interest will accrue on your receivable at the rate established by the Department of Treasury, and will be applied to your receivable on a daily basis from the date of this letter until the receivable is paid in full. FSA/CCC will waive late payment interest on the amount of your receivable that is paid within the next 30 calendar days. If payment in full is not made within 90 calendar days of the date of this letter, an additional 3 percent interest will be assessed on the unpaid balance of the receivable retroactively from the date of this letter.

Because this receivable may be collected by offset from any federal payment due you or your federal income tax refunds, you may wish to present, within 60 calendar days from the date of this letter, evidence to CCC that all or part of the receivable is not past due or legally enforceable. To do so, please submit to this office a written explanation of your position that the receivable or part of the receivable is not past due or legally enforceable, and include documentation to support your position.

Recourse Loans (Continued)

D Recourse Loan 1st Demand Letter (Continued)

Under Federal law and regulations, the following additional actions may be taken by the United States Department of Agriculture and the Department of the Treasury to collect delinquent debts:

- assessment of interest, administrative costs, and penalties
- administrative garnishment of wages
- offset of CCC and FSA payments
- referral of the receivable to Treasury for offset from any Federal payments after 180 days
- reporting of the receivable to credit reporting agencies
- reporting the receivable to private collection agencies by Treasury designated collection centers
- referral of the receivable to agency counsel or the Department of Justice for litigation
- reporting the receivable to the Internal Revenue Service if any or all of the debt is discharged.

If this receivable is not resolved, you may be ineligible for additional financial assistance in the form of loans, loan guarantees, or mortgage insurance through USDA's Rural Development.

If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the FSA County Office Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the FSA County Office Committee, you have the right to an informal hearing which you or your representatives may attend personally or by telephone. If you appeal this determination to the FSA County Office Committee, you may later appeal an adverse determination of the FSA County Office Committee to the FSA State Office Committee or National Appeals Division. To appeal, write to the FSA County Office Committee at the following address and explain why you believe this determination is erroneous. **(Insert COC address.)**

You may contact this office to review records related to this receivable or to receive an explanation of the receivable. You may obtain a copy of the records, subject to a copying charge.

Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this receivable in accordance with bankruptcy procedures.

Please contact this office at **(telephone number)** if you have any questions. We want to work with you to resolve this receivable.

Sincerely,

County Executive Director
_____ County FSA Office

USDA is an Equal Opportunity Provider, Employer, and Lender.

Recourse Loans (Continued)

E Recourse Loan Foreclosure Letter

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY _____ COUNTY FSA OFFICE ADDRESS CITY, STATE, ZIP CODE TELEPHONE (Date) Producer's Name Address City, State, Zip Code Dear (Producer's Name): This concerns your recourse (year) crop (commodity) loan which matured on (maturity date). You have not liquidated this loan by repayment of the receivable established the day after maturity as advised in our letter to you dated (date of Exhibit 9, subparagraph D). Because this receivable has not been repaid, Commodity Credit Corporation (CCC) will now begin foreclosure proceedings to sell the commodity securing this receivable through a local sale. You will be responsible for any expenses incurred by CCC for the local sale where the collateral will be sold to the highest bidder. Proceeds from the sale will be applied to the receivable and you will be responsible for any remaining amount due. If there are no successful bidders, you owe the entire amount of the receivable. If you do not repay this receivable promptly, you may be jeopardizing your right to future farm-stored commodity loans. If you believe that you have been sent this notice in error, that the determination is in error, or that the amount due is incorrect, you may appeal this determination to the FSA County Office Committee by filing a written request no later than 30 calendar days after you receive this notice in accordance with the FSA appeal procedures found at 7 CFR Part 780. If you appeal to the FSA County Office Committee, you have the right to an informal hearing which you or your representatives may attend personally or by telephone. If you appeal this determination to the FSA County Committee, you may later appeal an adverse determination of the FSA County Office Committee to the FSA State Office Committee or National Appeals Division. To appeal, write to the FSA County Office Committee at the following address and explain why you believe this determination is erroneous. (Insert COC address.) You may contact this office to review records related to this receivable or to receive an explanation of the receivable. You may obtain a copy of the records, subject to a copying charge. CCC will announce the sale of the commodity securing this receivable in 15 calendar days from the date of this letter. Please contact this office immediately for the current repayment amount. Sincerely, County Executive Director _____ County FSA Office USDA is an Equal Opportunity Provider, Employer, and Lender.

Examples of Applicable Dates for Mature MAL's When CCC-681-1 Requested Shortly Before Maturity

The following provides the applicable dates for the actions indicated for the 2 scenarios.

Scenario #1: See middle column. MAL matures on October 31. The producer requested a 30-calendar day CCC-681-1 on October 15. The County Office sends CCC-691 and demand letter (Exhibit 7, subparagraph F) on November 1 with 15 calendar days to deliver. Producer delivers a portion of the commodity under loan on CCC-681-1 and does **not** request a CCC-681-1 extension.

Scenario #2: See last column. MAL matures on October 31. The producer requested a 30-calendar day CCC-681-1 on October 15. The County Office sends CCC-691 and demand letter (Exhibit 7, subparagraph F) on November 1 with 15 calendar days to deliver. Nothing delivered under CCC-681-1.

Event	Partial Delivery Under CCC-681-1 (Scenario #1)	Nothing Delivered Under CCC-681-1 (Scenario #2)
CCC-681-1 requested and approved for 30 calendar days.	10-15-XX	10-15-XX
Loan maturity date.	10-31-XX	10-31-XX
CCC-691 and 1st demand letter issued.	11-1-XX (15 calendar days)	11-1-XX (15 calendar days)
CCC-681-1 expires.	11-14-XX	11-14-XX
CCC-691 "Final Date to Deliver" - No extension requested.	11-16-xx	11-16-xx
Foreclosure letter on quantity remaining in storage sent giving 15 calendar days until further action.	11-17-xx	11-17-xx
Repayment received for commodity delivered by 11-14-XX under CCC-681-1.	11-28-XX	N/A because nothing was delivered.
CCC-681-1 grace period ends.	11-29-XX	
Begin foreclosure proceedings (15 calendar days after initial foreclosure letter send)	12-2-XX <u>1</u> /	12-2-XX <u>1</u> /
CCC moves remaining loan commodity to warehouse for delivery to CCC.	12-14-XX	12-14-XX

Foreclosure letter sent on the day after expiration of either of the following:

- CCC-691, "Final Date to Deliver"
- CCC-691, Extended "Final Date to Deliver".

1/ Foreclosure actions begin 15 calendar days after the foreclosure letter sent for quantity remaining in storage.

Nonrecourse Warehouse-Stored Loans

A Nonrecourse Warehouse-Stored Loans Nearing, At, or After Maturity

The following provides actions for nonrecourse warehouse-stored loans nearing, at, or after maturity.

IF the loan type is warehouse, 45 calendar days before maturity, County Office must send the notification letter...	THEN on the first day after maturity for loans still outstanding, County Office must...	AND the subsequent action is...	Paragraph Reference
subparagraph C of this exhibit according to paragraph 797	• determine the settlement rate using premium and discounts outside of CLPS • in CLPS, forfeit to CCC the warehouse receipts securing the loan according to Part 9 in this handbook, 16-PS, and PS and LP directives	County Offices must immediately, if an amount is due CCC: • a receivable will be automatically established in NRRS for any amounts due CCC • apply any repayments from the producer to the receivable in NRRS. Note: NRRS will send all applicable demand letters for amount due CCC and offsets will be taken from any payments due the producer and applied to the receivable.	789, 900

Nonrecourse Warehouse-Stored Loans (Continued)

B Example of Nonrecourse Warehouse-Stored Loans at Maturity

Nonrecourse warehouse-stored loan for 1,000 bu. of corn matures on August 31, 20xx.

The following is an example of the steps County Offices must follow for nonrecourse warehouse-stored loans nearing, at, and after maturity.

Step	Date	Action
1	July 16, 20xx	County Office must send 45 calendar day notification letter in subparagraph C to producer.
2	August 31, 20xx	Loan matures.
3	September 1, 20xx	Day after loan maturity and loan is outstanding. County Office must process forfeiture according to Part 9 of this handbook, 16-PS, and current PS and LP directives. If an amount is due CCC, a receivable will automatically be established in NRRS to match the amount due CCC.
4		NRRS will: • send all subsequent demand letters for amount due CCC • automatically offset any payments due the producer and apply to receivable • continue to service the receivable until paid in full • refer debt to TOP when 180 calendar days delinquent. Note: County Office must apply any payments from the producer to the receivable established in NRRS.

Nonrecourse Warehouse-Stored Loans (Continued)

C Warehouse-Stored Nonrecourse Loan Maturity Letter

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SERVICE AGENCY ____ COUNTY FSA OFFICE ADDRESS CITY, STATE, ZIP CODE TELEPHONE (Date) Producer's Name Address City, State, Zip Code Dear (Producer's Name): This is to notify you that your (crop year, commodity) warehouse-stored loan (loan number) will mature on (maturity date). You may repay the loan on or before the maturity date with a check, certified check or money order. Interest will continue to accrue on a daily basis until the amount due is repaid. Contact this office for the exact repayment amount computed to the date we will receive your check. If applicable, posted county price repayments on entire warehouse receipts are only allowed on collateral repaid by maturity. In addition, and if applicable, a commodity certificate may be purchased and immediately exchanged for an entire warehouse receipt before loan maturity. On the day after maturity you will no longer be eligible to repay the loan principal and interest, and any outstanding warehouse receipts securing this loan will be forfeited to Commodity Credit Corporation (CCC). At forfeiture, CCC will adjust loan rates for warehouse-stored loans using the premiums and discounts applicable to the commodity on the warehouse receipt. You will be responsible for repaying any shortages from the original loan principal and the forfeited loan principal. You may contact this office to review records related to this debt or to receive an explanation of the debt. You may also obtain a copy of records, subject to a copying charge. Our records do not reflect that you have filed for bankruptcy protection under Title 11 of the United States Code. If you have filed for bankruptcy, please notify us so that we may update our records and proceed to resolve this debt in accordance with bankruptcy procedures. Please indicate your intentions on the enclosed sheet, and sign, date, and return to the address shown above on or before (maturity date). Sincerely, County Executive Director ____ County FSA Office USDA is an Equal Opportunity Provider, Employer, and Lender.

Nonrecourse Warehouse-Stored Loans (Continued)

C Warehouse-Stored Nonrecourse Loan Maturity Letter (Continued)

Producers Name _____

Loan Number _____

Crop Year _____

Commodity _____

Maturity Date _____

I INTEND TO DO THE FOLLOWING WITH THE LOAN IDENTIFIED ABOVE (*check one*):

_____ REPAY WITH CHECK, CERTIFIED CHECK OR MONEY ORDER ON OR BEFORE THE
LOAN MATURITY DATE

_____ FORFEIT THE ELIGIBLE COMMODITY TO CCC THE DAY AFTER MATURITY

(Producer's Signature) (Date)

Please return this intention by (Maturity date).

**Mail to: (County Name) County FSA Office
(Mailing Address)
(City, State, ZIP Code)**

Test Weight Factor for Oilseeds, Except Soybeans

A Canola and Rapeseed Test Weight Factors

Use the following test weight factors to determine the measured quantity for canola and rapeseed.

Notes: The factor equals the actual test weight divided by the standard test weight, rounded to 4 decimal places.

Standard test weight for canola and rapeseed is 50 lbs. per bu.

Actual Test Weight	Factor	Actual Test Weight	Factor	Actual Test Weight	Factor
40.5	.8100	47.5	.9500	54.5	1.0900
41.0	.8200	48.0	.9600	55.0	1.1000
41.5	.8300	48.5	.9700	55.5	1.1100
42.0	.8400	49.0	.9800	56.0	1.1200
42.5	.8500	49.5	.9900	56.5	1.1300
43.0	.8600	50.0	1.0000	57.0	1.1400
43.5	.8700	50.5	1.0100	57.5	1.1500
44.0	.8800	51.0	1.0200	58.0	1.1600
44.5	.8900	51.5	1.0300	58.5	1.1700
45.0	.9000	52.0	1.0400	59.0	1.1800
45.5	.9100	52.5	1.0500	59.5	1.1900
46.0	.9200	53.0	1.0600	60.0	1.2000
46.5	.9300	53.5	1.0700	60.5	1.2100
47.0	.9400	54.0	1.0800	61.0	1.2200

Test Weight Factor for Oilseeds, Except Soybeans (Continued)

B Crambe Test Weight Factors

Use the following test weight factors to determine the measured quantity for crambe.

Notes: The factor equals the actual test weight divided by the standard test weight, rounded to 4 decimal places.

Standard test weight for crambe is 25 lbs. per bu.

Actual Test Weight	Factor	Actual Test Weight	Factor	Actual Test Weight	Factor
11.0	.4400	18.5	.7400	26.0	1.040
11.1	.4440	19.0	.7600	26.5	1.060
12.0	.4800	19.5	.7800	27.0	1.080
12.5	.5000	20.0	.8000	27.5	1.100
13.0	.5200	20.5	.8200	28.0	1.120
13.5	.5400	21.0	.8400	28.5	1.140
14.0	.5600	21.5	.8600	29.0	1.160
14.5	.5800	22.0	.8800	29.5	1.180
15.0	.6000	22.5	.9000	30.0	1.200
15.5	.6200	23.0	.9200	30.5	1.220
16.0	.6400	23.5	.9400	31.0	1.240
16.5	.6600	24.0	.9600	31.5	1.260
17.0	.6800	24.5	.9800	32.0	1.280
17.5	.7000	25.0	1.000		
18.0	.7200	25.5	1.020		

Test Weight Factor for Oilseeds, Except Soybeans (Continued)

C Flaxseed Test Weight Factors

Use the following test weight factors to determine the measured quantity for flaxseed.

Notes: The factor equals the actual test weight divided by the standard test weight, rounded to 4 decimal places.

Standard test weight for flaxseed is 56 lbs. per bu.

Actual Test Weight	Factor	Actual Test Weight	Factor	Actual Test Weight	Factor
41.5	.7412	48.5	.8661	55.5	.9912
42.0	.7500	49.0	.8750	56.0	1.0000
42.5	.7589	49.5	.8839	56.5	1.0089
43.0	.7679	50.0	.8929	57.0	1.0179
43.5	.7768	50.5	.9018	57.5	1.0268
44.0	.7857	51.0	.9107	58.0	1.0357
44.5	.7946	51.5	.9196	58.5	1.0446
45.0	.8036	52.0	.9286	59.0	1.0536
45.5	.8125	52.5	.9375	59.5	1.0625
46.0	.8214	53.0	.9464	60.0	1.0714
46.5	.8304	53.5	.9554	61.5	1.0982
47.0	.8393	54.0	.9643	62.0	1.1071
47.5	.8482	54.5	.9714	62.5	1.1161
48.0	.8571	55.0	.9821	63.0	1.1250

Test Weight Factor for Oilseeds, Except Soybeans (Continued)

D Mustard Seed Test Weight Factors

Use the following test weight factors to determine the measured quantity for mustard seed.

Notes: The factor equals the actual test weight divided by the standard test weight, rounded to 4 decimal places.

Standard test weight for mustard seed is 54 lbs. per bu.

Actual Test Weight	Factor	Actual Test Weight	Factor	Actual Test Weight	Factor
40.0	.7407	47.5	.8796	55.0	1.0185
40.5	.7500	48.0	.8889	55.5	1.0278
41.0	.7593	48.5	.8981	56.0	1.0370
41.5	.7685	49.0	.9074	56.5	1.0444
42.0	.7778	49.5	.9167	57.0	1.0556
42.5	.7870	50.0	.9259	57.5	1.0648
43.0	.7963	50.5	.9351	58.0	1.0741
43.5	.8056	51.0	.9444	58.5	1.0833
44.0	.8148	51.5	.9537	59.0	1.0926
44.5	.8241	52.0	.9630	59.5	1.1018
45.0	.8333	52.5	.9722	60.5	1.1204
45.5	.8426	53.0	.9815	61.0	1.1296
46.0	.8519	53.5	.9907	61.5	1.1389
46.5	.8611	54.0	1.0000	62.0	1.1481
47.0	.8704	54.5	1.0093	62.5	1.1574

Test Weight Factor for Oilseeds, Except Soybeans (Continued)

E Safflower Seed Test Weight Factors

Use the following test weight factors to determine the measured quantity for safflower seed.

Notes: The factor equals the actual test weight divided by the standard test weight, rounded to 4 decimal places.

Standard test weight for safflower seed is 40 lbs. per bu.

Actual Test Weight	Factor	Actual Test Weight	Factor	Actual Test Weight	Factor
25.5	.6375	32.5	.8125	39.5	.9875
26.0	.6500	33.0	.8250	40.0	1.0000
26.5	.6625	33.5	.8375	40.5	1.0125
27.0	.6750	34.0	.8500	41.0	1.0250
27.5	.6875	34.5	.8625	41.5	1.0375
28.0	.7000	35.0	.8750	42.0	1.0500
28.5	.7125	35.5	.8875	42.5	1.0625
29.0	.7250	36.0	.9000	43.0	1.0750
29.5	.7375	36.5	.9125	43.5	1.0875
30.0	.7500	37.0	.9250	44.0	1.1000
30.5	.7625	37.5	.9375	44.5	1.1125
31.0	.7750	38.0	.9500	45.0	1.1250
31.5	.7875	38.5	.9625	45.5	1.1375
32.0	.8000	39.0	.9750	46.0	1.1500

Test Weight Factor for Oilseeds, Except Soybeans (Continued)

F Sunflower Seed Test Weight Factors

Use the following test weight factors to determine the measured quantity for sunflower seeds, both oil and other types.

Notes: The factor equals the actual test weight divided by the standard test weight, rounded to 4 decimal places.

Standard test weight for sunflower seed is 28 lbs. per bu.

Actual Test Weight	Factor	Actual Test Weight	Factor	Actual Test Weight	Factor
14.5	.5179	21.5	.7679	28.5	1.0179
15.0	.5357	22.0	.7857	29.0	1.0357
15.5	.5536	22.5	.8036	29.5	1.0536
16.0	.5714	23.0	.8214	30.0	1.0714
16.5	.5893	23.5	.8393	30.5	1.0893
17.0	.6071	24.0	.8571	31.0	1.1071
17.5	.6250	24.5	.8750	31.5	1.1250
18.0	.6429	25.0	.8929	32.0	1.1429
18.5	.6607	25.5	.9107	32.5	1.1607
19.0	.6786	26.0	.9286	33.0	1.1786
19.5	.6964	26.5	.9464	33.5	1.1964
20.0	.7143	27.0	.9643	34.0	1.2143
20.5	.7321	27.5	.9821	34.5	1.2321
21.0	.7500	28.0	1.0000	35.0	1.2500

Test Weight and Pack Factor for Pulse Crops

A Chickpeas

Use the following test weight factors to determine the measured quantity for large and small chickpeas.

Note: The factor equals the actual test weight divided by the standard test weight, rounded to decimal places.

Standard test weight for large and small chickpeas is 58 lbs. per bu.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
50.0	0.9500	0.9505	0.9620	0.9650	0.9700	0.9700
50.5	0.9550	0.9565	0.9684	0.9690	0.9800	0.9800
51.0	0.9600	0.9625	0.9700	0.9790	0.9800	0.9800
51.5	0.9650	0.9685	0.9800	0.9800	0.9800	0.9800
52.0	0.9700	0.9745	0.9860	0.9890	0.9980	0.9980
52.5	0.9750	0.9805	0.9924	0.9988	1.0060	1.0100
53.0	0.9800	0.9865	0.9980	1.0000	1.0150	1.0200
53.5	0.9850	0.9925	0.9990	1.0013	1.0240	1.0300
54.0	0.9900	0.9985	1.0100	1.0124	1.0320	1.0400
54.5	0.9950	1.0045	1.0164	1.0179	1.0400	1.0500
55.0	1.0000	1.0105	1.0224	1.0364	1.0455	1.0595
55.5	1.0070	1.0154	1.0280	1.0420	1.0511	1.0658
56.0	1.0126	1.0210	1.0336	1.0476	1.0567	1.0714
56.5	1.0182	1.0266	1.0392	1.0532	1.0623	1.0770
57.0	1.0231	1.0315	1.0448	1.0588	1.0679	1.0826
57.5	1.0287	1.0371	1.0497	1.0644	1.0735	1.0882
58.0	1.0336	1.0427	1.0553	1.0700	1.0791	1.0938
58.5	1.0392	1.0476	1.0609	1.0756	1.0854	1.1001
59.0	1.0441	1.0532	1.0665	1.0812	1.0910	1.1057
59.5	1.0490	1.0581	1.0714	1.0861	1.0966	1.1120
60.0	1.0546	1.0637	1.0770	1.0917	1.1022	1.1176
60.5	1.0595	1.0686	1.0826	1.0973	1.1071	1.1225
61.0	1.0651	1.0742	1.0875	1.1029	1.1127	1.1281
61.5	1.0700	1.0791	1.0931	1.1085	1.1183	1.1337
62.0	1.0749	1.0840	1.0980	1.1141	1.1239	1.1393
62.5	1.0798	1.0889	1.1029	1.1197	1.1295	1.1449
63.0	1.0847	1.0938	1.1078	1.1253	1.1351	1.1505
63.5	1.0896	1.0987	1.1127	1.1309	1.1407	1.1561
64.0	1.0945	1.1036	1.1176	1.1365	1.1463	1.1617
64.5	1.0994	1.1085	1.1225	1.1421	1.1519	1.1673
65.0	1.1043	1.1134	1.1274	1.1477	1.1575	1.1729
65.5	1.1092	1.1183	1.1323	1.1533	1.1631	1.1785
66.0	1.1141	1.1232	1.1372	1.1589	1.1687	1.1841

Note: The last 3 columns of this table do **not** match what is contained in APSS. If the County Office wants to use the test weight/pack factors in the last 3 columns, they will have to manually compute the quantity. See subparagraph 525 F for additional information.

Test Weight and Pack Factor for Pulse Crops

B Whole Dry Peas and Lentils

Use the following test weight and pack factors to determine the measured quantity for dry peas and lentils.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
42.0	0.762	0.773	0.783	0.809	0.826	0.848
42.5	0.770	0.781	0.792	0.818	0.835	0.857
43.0	0.778	0.789	0.800	0.826	0.843	0.865
43.5	0.786	0.797	0.808	0.834	0.851	0.873
44.0	0.794	0.805	0.816	0.842	0.859	0.881
44.5	0.802	0.813	0.824	0.850	0.867	0.889
45.0	0.810	0.821	0.833	0.858	0.875	0.897
45.5	0.818	0.829	0.841	0.866	0.883	0.905
46.0	0.826	0.837	0.849	0.874	0.891	0.913
46.5	0.834	0.845	0.857	0.882	0.899	0.921
47.0	0.841	0.853	0.865	0.890	0.907	0.929
47.5	0.849	0.861	0.873	0.898	0.915	0.937
48.0	0.857	0.869	0.881	0.906	0.923	0.945
48.5	0.865	0.877	0.889	0.914	0.931	0.953
49.0	0.872	0.884	0.897	0.922	0.939	0.961
49.5	0.880	0.892	0.905	0.930	0.947	0.969
50.0	0.888	0.900	0.913	0.938	0.955	0.977
50.5	0.895	0.908	0.920	0.947	0.963	0.985
51.0	0.903	0.915	0.928	0.954	0.971	0.994
51.5	0.910	0.923	0.936	0.963	0.979	1.002
52.0	0.918	0.931	0.944	0.970	0.987	1.010
52.5	0.925	0.938	0.952	0.978	0.995	1.018
53.0	0.933	0.946	0.959	0.986	1.003	1.026
53.5	0.940	0.954	0.967	0.994	1.011	1.034
54.0	0.948	0.961	0.975	1.002	1.020	1.043
54.5	0.955	0.969	0.982	1.010	1.028	1.051
55.0	0.963	0.976	0.990	1.018	1.036	1.060
55.5	0.970	0.984	0.998	1.026	1.044	1.068
56.0	0.977	0.991	1.005	1.034	1.052	1.077
56.5	0.985	0.999	1.013	1.042	1.060	1.085
57.0	0.992	1.006	1.020	1.050	1.068	1.093
57.5	0.999	1.013	1.028	1.057	1.075	1.100
58.0	1.006	1.021	1.035	1.065	1.083	1.108

Note: The last 3 columns of this table do **not** match what is contained in APSS. If the County Office wants to use the test weight/pack factors in the last 3 columns, they will have to manually compute the quantity. See subparagraph 525 F for additional information.

Test Weight and Pack Factor for Pulse Crops (Continued)

B Whole Dry Peas and Lentils (Continued)

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
58.5	1.014	1.028	1.043	1.073	1.092	1.117
59.0	1.021	1.035	1.050	1.081	1.100	1.126
59.5	1.028	1.043	1.058	1.088	1.107	1.132
60.0	1.035	1.050	1.065	1.096	1.115	1.141
60.5	1.042	1.057	1.072	1.104	1.123	1.150
61.0	1.049	1.064	1.080	1.111	1.130	1.157
61.5	1.056	1.072	1.087	1.119	1.138	1.165
62.0	1.063	1.079	1.094	1.126	1.145	1.172
62.5	1.070	1.086	1.101	1.134	1.153	1.180
63.0	1.077	1.093	1.108	1.141	1.162	1.189
63.5	1.084	1.100	1.115	1.148	1.169	1.196
64.0	1.091	1.107	1.122	1.156	1.177	1.205
64.5	1.098	1.114	1.129	1.164	1.185	1.214
65.0	1.105	1.121	1.136	1.172	1.193	1.223
65.5	1.112	1.128	1.143	1.180	1.201	1.232
66.0	1.119	1.135	1.150	1.188	1.209	1.241
66.5	1.126	1.142	1.157	1.196	1.217	1.250
67.0	1.133	1.149	1.164	1.204	1.225	1.259
67.5	1.140	1.156	1.171	1.212	1.233	1.268
68.0	1.147	1.163	1.178	1.220	1.241	1.277
68.5	1.154	1.170	1.185	1.228	1.249	1.286
69.0	1.161	1.177	1.192	1.236	1.257	1.295
69.5	1.168	1.184	1.199	1.244	1.265	1.304
70.0	1.175	1.191	1.206	1.252	1.273	1.313
70.5	1.182	1.198	1.213	1.260	1.281	1.322
71.0	1.189	1.205	1.220	1.268	1.289	1.331
71.5	1.196	1.212	1.227	1.276	1.297	1.340
72.0	1.203	1.219	1.234	1.284	1.305	1.349
72.5	1.210	1.226	1.241	1.292	1.313	1.358
73.0	1.217	1.233	1.248	1.300	1.321	1.367
73.5	1.224	1.240	1.255	1.308	1.329	1.376
74.0	1.231	1.247	1.262	1.316	1.337	1.385
74.5	1.238	1.254	1.269	1.324	1.345	1.394
75.0	1.245	1.261	1.276	1.332	1.353	1.403
75.5	1.252	1.268	1.283	1.340	1.361	1.412

Note: The last 3 columns of this table do **not** match what is contained in APSS. If the County Office wants to use the test weight/pack factors in the last 3 columns, they will have to manually compute the quantity. See subparagraph 525 F for additional information.

