

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Marketing Assistance Loans and Loan Deficiency
Payments for 2008 and Subsequent Crop Years
8-LP (Revision 2)**

Amendment 3

Approved: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Revision

Paragraph 1 has been amended to add:

- a note about the suspension of FY 2011 mohair MAL's and LDP's effective April 14, 2011
- the Department of Defense and Full Year Continuing Appropriations Act of 2011 to the list of Sources of Authority.

Subparagraphs 27 A, 34 B, 232 B, 502 A, 524 A, 716 M, 797 D, and Exhibit 1 have been amended to delete all references to commodity certificates because commodity certificates are not applicable for 2010 through 2012 MAL's.

Subparagraph 30 C has been amended to delete "loan" in the second bullet and replace with "MAL".

Subparagraph 36 A has been amended to provide the 1-FI reference paragraph for returning unnegotiated Treasury checks.

Subparagraphs 200 A and 201 A have been amended to clarify that a producer must report all cropland on a farm to be eligible for MAL and LDP benefits.

Paragraph 205 has been amended to:

- clarify when CCC-686 is used
- update instructions
- correct item 17 F on the completed example of CCC-686.

Subparagraph 225 C has been amended to add notes about:

- the eligible grain sorghum varieties for crop year 2011 included in Exhibit 13
- FY 2011 mohair.

Amendment Transmittal (Continued)

A Reasons for Revision (Continued)

Subparagraphs 225 H, 520 F, and 615 I have been amended to clarify falling number discounts for wheat.

Subparagraph 226 C has been amended to add a note about FY 2011 mohair.

Paragraph 230 has been amended to add notes indicating that:

- yields from other producer's farms are **not** permitted to be used to determine the yield for another producer
- Price Support queries will not be available at the beginning of the 2011 crop year and an interim process has been provided.

Paragraph 235 has been amended to clarify how the MAL and LDP rates on ACRE-elected and non-ACRE farms are computed.

Subparagraph 400 B has been amended to add a note **requiring** all shortages be recorded in APSS using the violation software according to 12-PS.

Paragraph 410 has been amended to:

- clarify that only STC or DAFP have the authority to waive liquidated damages when lack of good faith is determined
- add 2 additional bullets to the "No Good Faith Demand Letter" that were omitted in the revision.

Subparagraph 412 B has been amended to clarify when and who has the authority to waive liquidated damages.

Subparagraph 500 C has been amended to add additional reference information.

Subparagraph 501 D, Step 3 has been amended to add FSA-578 to the list of documents **required** for producers requesting commodity loans.

Paragraph 502 has been amended to:

- update instructions for revised CCC-10
- provide an updated example of a completed CCC-10.

Subparagraph 506 D has been amended to update a paragraph reference.

Subparagraph 509 A has been amended to clarify loan disbursements.

Amendment Transmittal (Continued)

A Reasons for Revision (Continued)

Paragraph 520 has been amended to provide an example of how the loan rate is computed for nonrecourse MAL's for:

- commodities harvested as other than grain
- contaminated commodities
- low quality commodities.

Subparagraph 521 B is amended to provide a note clarifying policy for filing UCC-1's and disbursing loans.

Paragraph 524 has been amended to:

- add an additional note to item 14
- revise the entry in the example CCC-666, item 14.

Subparagraph 615 I has been amended to clarify the instructions for converting from a nonrecourse loan to a recourse loan.

Subparagraph 700 F, items 7 and 11 have been amended for clarity.

Subparagraph 714 A has been amended to delete the note referencing 2008 crop year commodity loans.

Subparagraphs 715 C, D, and G have been deleted because they were only applicable to 2008 and prior crop year loans.

Paragraph 717 has been amended to update:

- instructions for completing CCC-697
- the example of the revised CCC-697.

Subparagraph 719 A has been amended to add an additional note about lump-sum repayments.

Subparagraphs 741 F and 802 A have been amended to reference the table in Exhibit 31 showing examples of actions and applicable dates for a mature MAL and CCC-681-1.

Paragraph 771 has been withdrawn because it only applied to warehouse receipts for 2008 and prior crop years.

Paragraph 783 has been amended to:

- add a note to clarify that the CCC-determined value shall **not** be adjusted for ACRE
- revise the note about crop years and market loan repayments.

Amendment Transmittal (Continued)

A Reasons for Revision (Continued)

Subparagraph 784 B has been amended to add a note about the announced mohair rates.

Subparagraph 786 D has been amended to delete the sentence applicable only to 2008 crop amber durum and durum wheat.

Paragraphs 790 through 793 have been withdrawn because commodity certificates are no longer an option for repaying MAL's.

Subparagraph 800 A has been amended to add a note that CCC will only accept delivery of farm-stored commodities to a warehouse with UGRSA.

Paragraph 801 has been amended to:

- add a note about when NRRS receivables should be established on mature nonrecourse loans still in storage
- clarify the instructions for CCC-691, item 16 about sufficient time for delivery.

Subparagraph 802 B has been amended to revise procedure when there was a loan repayment during the CCC-681-1 grace period and CCC-691 was previously issued.

Subparagraph 803 B was added to clarify when CCC-691 could be extended.

Paragraph 821 has been amended to:

- add a note clarifying the settlement value for commodities delivered to CCC from ACRE-elected farms
- clarify a settlement value of zero.

Subparagraph 822 A has been amended to add a note clarifying that warehouse purchases from KCCO for farm-stored deliveries are **no** longer authorized.

Subparagraph 856 A has been amended to add notes about applicable actions for recourse and distress loans, and local sales.

Subparagraph 866 A has been amended to clarify the date when foreclosure actions will begin.

Subparagraph 900 A has been amended to add a note clarifying the settlement value for commodities forfeited to CCC from ACRE-elected farms.

Subparagraph 1000 B has been amended to add a note clarifying the LDP rate for any commodity produced on an ACRE-elected farm.

Amendment Transmittal (Continued)

A Reasons for Revision (Continued)

Subparagraphs 1004 B and C have been amended to clarify the example of the applicable LDP rate for commodities delivered on a nonworkday.

Subparagraph 1004 C has been amended to clarify the LDP rate for commodities produced on ACRE-elected farms.

Subparagraph 1020 E has been added to clarify the:

- applicable LDP rate
- LDP rate for any commodity produced on an ACRE-elected farm.

Subparagraph 1030 A has been amended to clarify:

- low quality commodities because of test weight and quality factors on the additional schedule of discounts
- falling number discounts and how they relate to low quality wheat.

Subparagraph 1030 C has been amended to clarify the LDP rate for low quality commodities produced on ACRE-elected farms.

Subparagraph 1040 D has been amended to clarify the LDP rate for contaminated commodities produced on ACRE-elected farms.

Subparagraph 1103 A has been amended to clarify that funding must be requested and received **before** CCC-633 GRAZING's can be processed.

Paragraph 1104 has been amended to:

- clarify how to calculate graze-out payment for commodities produced on ACRE-elected farms
- provide process to request graze-out funding.

Subparagraph 1500 A has been amended to add a note about the suspension of FY 2011 mohair MAL's and LDP's effective April 14, 2011.

Subparagraph 1553 C has been amended to update a paragraph reference.

Amendment Transmittal (Continued)

A Reasons for Revision (Continued)

Exhibit 2 has been amended to:

- add a note about mohair MAL's and LDP's
- add the definition for commodity loan
- clarify definitions for the following:
 - nonrecourse loan
 - recourse loan.

Exhibit 6 has been withdrawn because the questions and answers have been added to the applicable handbook text.

Exhibit 11, pages 12 and 14 have been amended by removing the option "Redeem with Commodity Certificate Exchange, for 2009 crop only" on the intention sheet mailed to producers with maturing nonrecourse commodity loans.

Exhibit 13 has been added to provide the 2011 crop year eligible grain sorghum varieties to determine eligibility and yield information for loans and LDP's.

Exhibit 15 paragraph C, item 35 has been amended to update a part reference.

Exhibit 31 has been added to provide an example of applicable dates for mature MAL's when CCC-681-1 is requested shortly before loan maturity.

B Obsolete Material

CCC-694-1 and CCC-694-2 are now obsolete.

Amendment Transmittal (Continued)

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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.

--Notes: Effective April 14, 2011, the Department of Defense and Full Year Continuing Appropriations Act of 2011 suspended mohair MAL's and LDP's for the remainder of FY 2011.--

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
- 10-SU.

* * *

B Sources of Authority

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

- Food, Conservation, and Energy Act of 2008
- Farm Security and Rural Investment Act of 2002
- 7 CFR Part 1421
- *--Department of Defense and Full Year Continuing Appropriations Act of 2011.--*

1 Purpose and Authority (Continued)

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 shall:

- follow 1-CM for producer signature and authorization provisions
- see 1-CM for a list of forms for which FAX signatures are **not** acceptable.

B Redelelegation 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 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 shall be completed **before** signing authority redelegation is made.

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

IF the producer is...	THEN the approval authority shall 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.

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

The interest rate for:

- loan violations 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 APSS for transactions processed through APSS. When APSS 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.

D Total Aggregate Amount of \$500,000 or More

Producers repaying a loan that has a total aggregate principal amount of **\$500,000 or more**, by:

- other than a wire transfer, shall be assessed interest beginning on the loan disbursement date **through the day after** the date of repayment
- wire transfer, shall **only** be assessed interest beginning on the loan disbursement date up to the **second day before** the date of repayment, even if the loan was disbursed through NPS.

27 **IRS Reporting**

A Market Gains, LDP’s, and Forfeitures

Market gains, LDP’s, and forfeitures shall be reported to IRS for Federal income tax assessment purposes and inclusion on CCC-1099 (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.

30 Offsets**A Basic Provisions**

Offsets are applicable for amounts owed CCC, FSA, or other creditors. 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 shall 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.

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.

Beginning with the 2008 crop year, 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:

- the charges on the statement or bill are associated with other than handling of the commodity represented by the warehouse receipt
- the 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 404).

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 shall **not** be approved.

***--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 writing.

If requested, County Office shall:

- 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.

Note: The producer's request is only applicable if the commodity is still in storage.--*

34 Payment and AGI Limitation for 2009-2012 Crops

A Payment Limitation for 2009-2012 Crops

For the 2009-2012 crop years CCC will **not** limit market loan gains and LDP's.

B AGI Limitation Rule for 2009-2012 crop

A person or legal entity shall not be eligible to receive Market Loan Gains or LDP benefits *--for the 2009 through 2012 crop years, if the average nonfarm AGI exceeds \$500,000.--*

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

35 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.
manual loan repayments that result in overcollection	the eighth workday after the following: <ul style="list-style-type: none"> • repayments are recorded through APSS • loans are determined to be overpaid.

35 Prompt Payment Act (Continued)

B Payment Due Dates (Continued)

IF the program is for...	THEN the payment due date is 30 calendar days...
LDP's	<p>from the date the producer provides all information needed to complete the LDP request. This information is, but not limited to, the following:</p> <ul style="list-style-type: none"> • acreage certification • AD-1026's <p>Note: Includes farm plans.</p> <ul style="list-style-type: none"> • all signatures, as applicable • CCC-502's (through crop year 2008) • CCC-902's for foreign person determinations (crop years 2009 through 2012) • CCC-526 provisions (through crop year 2008) • CCC-926 • certifies the quantity <p>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.</p> <p>COC is required to establish the maximum eligible quantity within 30 calendar days from the date all required information is available.</p> <ul style="list-style-type: none"> • 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 (page 2, 3, or 4). <p>Note: County Offices must determine maximum quantity eligible before LDP payments can be made.</p>

35 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: <ul style="list-style-type: none"> • 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 shall 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.

36 * * * Unnegotiated Treasury Checks

A * * * Unnegotiated Loan Treasury Checks

If unnegotiated Treasury checks for a loan disbursement or LDP are returned to the County Office, follow this table.

IF all unnegotiated Treasury checks for...	THEN...
a loan disbursement are returned to the County Office and no repayments have been made on the loan	cancel the loan as follows: <ul style="list-style-type: none"> • use the correct loan process, according to 12-PS, to remove the loan making transaction; a receivable will automatically be created in NRRS • send the Treasury check to Kansas City according to 1-FI, *--subparagraph 131 F, and request a new check made payable--* to CCC • apply the check, made payable to CCC, to the receivable. <p>Note: LDP may be made on the quantity originally requested on the canceled loan, if eligibility requirements are met and requests are made within the applicable crop year final loan availability period.</p>
a loan disbursement are not returned to the County Office	<ul style="list-style-type: none"> • use the correct a loan process, according to 12-PS, to remove the loan making transaction; a receivable will automatically be created in NRRS • NRRS will notify producer of the receivable amount owed CCC • when producer pays amount owed, apply to receivable • do not release any collateral until receivable is repaid.

36 * * * Unnegotiated Treasury Checks (Continued)

A * * * Unnegotiated Loan Treasury Checks (Continued)

IF all unnegotiated Treasury checks for...	THEN...
LDP are returned to the County Office, processed through eLDP or APSS	<ul style="list-style-type: none"> • use the correction process to cancel LDP; a receivable will automatically be created in NRRS • request a replacement check according to 1-FI and apply to the receivable in NRRS according to 64-FI. <p>Notes: The same LDP quantity may not be pledged as collateral for a loan; however, if the producer later requests another LDP for the same LDP quantity, an LDP would be made as follows:</p> <ul style="list-style-type: none"> • is within the final loan availability period • for the original LDP quantity • at the same LDP rate in effect for the date the original LDP was requested.
LDP, processed through eLDP or APSS, are not returned to the County Office	use the correction process to cancel LDP; a receivable will automatically be created in NRRS.

37 State Office Reporting System (SORS)**A Individual Report Availability**

SORS, available on FSA Intranet, provides up-to-date access to national, State, county, and individual reports on:

- LDP's
- MAL's.

To access SORS, go to at <http://intranet.fsa.usda.gov/fsa>, under "Links", CLICK "**FSA Applications**", and under "Price Support", CLICK "**SORS - State Office Reporting System**".

***--Note:** For authority to access SORS, submit FSA-13-A to SLR. On FSA-13-A, in the "Resource Privilege" Section, under "**WEB**", select "**Add**" and in "EAS Role(s)" blank, ENTER "**app.fsa.sors.readonly**".--*

B Activity Reports

Unofficial cumulative price support loan and LDP activity reports are available to the general public on the Price Support web page at www.fsa.usda.gov/FSA; under "Browse by Subject", CLICK "**Price Support**", and under "Related Topics", CLICK "**Price Support Reports**".

38, 39 (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 a farm according to 2-CP

Note: This is applicable to **all** farms.--*

- completing AD-1026 according to 6-CP

* * *

- completing CCC-926 according to 4-PL for 2009-2012 crop

Note: CCC-926 is not needed on file at loan disbursement.

- completing applicable CCC-902 if repaying a loan with a market gain or requesting LDP payment according to 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.

Exception: For 2009-2012 crops, States, local Governments, political subdivisions, and agencies thereof are **not** eligible for loans, market loan gains, or LDP's.

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 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).

D Minors

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

200 Eligible Producers (Continued)**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 Offices shall **not** take into consideration 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 all farms for the current crop year according to 2-CP

Note: Acreage reports **must** be obtained **before** benefits are received.

- violate WC and HELC provisions according to 6-CP
- have **not** complied with applicable program requirements
- 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.

205 Deceased Producers**A Notification to Heirs**

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

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

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.

*--

<p>This form is available electronically. CCC-686 U.S. DEPARTMENT OF AGRICULTURE (09-28-10) Commodity Credit Corporation</p>		<p>1. NAME AND ADDRESS OF COUNTY FSA OFFICE Any County FSA Office 999 Any Road Town, ST 99999</p>	
<p>APPLICATION FOR LOAN OR LOAN DEFICIENCY PAYMENT BY HEIRS (On a commodity produced by a person who has died) See Page 2 for Privacy Act Statement.</p>		<p>TELEPHONE NO. (Include Area code): 999-999-9999</p>	
		<p>2. ST. & CO. CODES 99-999</p>	<p>3. APPLICATION NUMBER 99999</p>
		<p>4. CROP YEAR 2010</p>	<p>5. COMMODITY Corn</p>
<p>6. NAME OF DECEASED PERSON Able Farmer</p>	<p>7. DATE OF DEATH (MM-DD-YYYY) 11-09-2010</p>	<p>8. DEATH OCCURRED BEFORE HARVEST <input type="checkbox"/> AFTER HARVEST <input checked="" type="checkbox"/></p>	
<p>9. PERSONS INHERITING COMMODITY (Name and Address)</p>		<p>10. RELATIONSHIP TO DECEASED</p>	
<p>Imma Farmer, 9999 Any Road, Town, ST 99999</p>		<p>Spouse</p>	
<p>11. NAMES OF PERSONS ASSUMING FARMING UNIT (Include heirs in Item 9) (Address if not already listed in Item 9)</p>		<p>12. RELATIONSHIP TO DECEASED OR CAPACITY</p>	
<p>11. NAMES OF PERSONS ASSUMING FARMING UNIT (Include heirs in Item 9) (Address if not already listed in Item 9)</p>		<p>12. RELATIONSHIP TO DECEASED OR CAPACITY</p>	
<p>If any person shown in Item 9 or 11 above is a minor or incompetent, furnish the following:</p>			
<p>13. NAME OF MINOR OR INCOMPETENT</p>	<p>14. NATURE OF DISABILITY (if any)</p>	<p>15. REPRESENTATIVE OF PERSON SHOWN IN ITEM 13 NAME AND ADDRESS</p>	
		<p>16. CAPACITY (Guardian, Custodian, Conservator, Liquidator, etc.)</p>	
<p>17. CERTIFICATONS (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.)</p>			
<p>The undersigned hereby certifies that 1/</p> <p>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 <input type="checkbox"/> NO <input checked="" type="checkbox"/> (If "YES", provide details):</p>			
<p>18A. Signature (By) /s/ Imma Farmer</p>	<p>18B. Title/Relationship of the Individual Signing in the Representative Capacity Self</p>	<p>18C. Date (MM-DD-YYYY) 11-29-2010</p>	
<p>18A. Signature (By)</p>	<p>18B. Title/Relationship of the Individual Signing in the Representative Capacity</p>	<p>18C. Date (MM-DD-YYYY)</p>	
<p>18A. Signature (By)</p>	<p>18B. Title/Relationship of the Individual Signing in the Representative Capacity</p>	<p>18C. Date (MM-DD-YYYY)</p>	
<p>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.</p>			
<p>19B. FOR THE COUNTY COMMITTEE BY /s/ Bill Done</p>			<p>19C. Date (MM-DD-YYYY) 11-29-2010</p>
<p>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.</p>			

--*

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. See subparagraph C for an example of CCC-664.

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 shall **not** be split among the stockholders or partners.

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

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

- call the loan according to paragraph 865
- contact the regional attorney through the State Office.

Follow 12-PS, Part 11, Section 1 to correct the names of the producers on the loan agreement.

207-224 (Reserved)

Section 2 Commodity Eligibility

225 Eligible Commodities

A Eligibility Requirements

[7 CFR 1421.5] To be eligible for a loan or LDP, the commodity **must**:

- have been produced by an eligible producer on a farm
- 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: For commodities containing vomitoxin and aflatoxin, see paragraph 231.

- 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 MAL's and LDP's.

If a County Office determines that a loan or LDP has been disbursed on substituted commodities, handle according to Exhibit 11, subparagraph M.

225 Eligible Commodities (Continued)

C Commodities Eligible for Loan or LDP

The commodities eligible for a loan or LDP include:

- barley
- corn
- grain sorghum

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

--See Exhibit 13 for eligible grain sorghum varieties and applicable yields.--

- honey
- mohair

*--**Note:** Effective April 14, 2011, the Department of Defense and Full Year Continuing Appropriations Act of 2011 suspended mohair MAL's and LDP's for the remainder of FY 2011.--*

- oats
- oilseeds

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

- 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.

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

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

225 Eligible Commodities (Continued)

D Established STC Maximum Acceptable Moisture Level

STC shall:

- 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.

Note: Starting with the 2010 crop, the maximum acceptable moisture levels established for Price Support purposes will also be used for SURE program purposes.

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 shall be adjusted for moisture to the applicable standard in 2-LP (see shrink factors in Exhibit 12).

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 shall be adjusted for moisture to the applicable standard in 2-LP. See shrink factors in Exhibit 12.

***--Note:** The applicable shrink factors shall apply when adjusting the quantity for excess moisture, according to subparagraph 528 C and Exhibit 12.--*

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: 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	HM recourse loans.
	harvested, including corn and sorghum	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.

I Subsequent Crops

Subsequent crops produced and harvested on acreage that previously produced a loan eligible commodity are eligible for MAL and LDP, 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 shall base the reasonable yield on farming practices and other pertinent information that may impact the yield determination.

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 shall be made on or before the final availability date for the respective commodities.

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 Wool	January 31
Barley Canola Crambe Flaxseed Honey Oats Rapeseed Wheat Sesame Seed	March 31
Corn Dry Peas Grain Sorghum Lentils Mustard Seed Rice Safflower Seed Chickpeas Soybeans Sunflower Seed	May 31

--Note: Effective April 14, 2011, the Department of Defense and Full Year Continuing Appropriations Act of 2011 suspended mohair MAL's and LDP's for the remainder of FY 2011.--

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

D Final Disbursement Date

The approved disbursement date shall **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 shall 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 shall 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 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: <ul style="list-style-type: none"> • 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.

230 Eligible Quantity (Continued)

F Using Price Support Queries

County Offices shall use the automated Price Support queries according to 12-PS. Instructions for entering yields established by COC are in 12-PS. Price Support queries:

- are useful in determining a producer's reasonable production
- provide for a running account total by the producer for remaining MAL and LDP eligible quantities.

***--Note:** The automated Price Support queries will not be available at the beginning of the 2011 crop year. An interim process has been provided.--*

G Questionable or Commingled Production

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

- up to 10 percent:
 - producer shall 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.

- more than 10 percent:
 - producer shall 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 shall be attached to applicable CCC-666 or CCC-633 EZ.

If COC denies the request, send Exhibit 11, subparagraph L letter to the producer. The letter shall 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 shall 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:
 - page 2, item 32
 - page 3, item 56
 - page 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.

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...
that was called because of a violation of provisions for: <ul style="list-style-type: none"> • loans or LDP's • HELC or WC according to 6-CP 	the commodity shall not be repledged for loan.
1 or more of the following conditions: <ul style="list-style-type: none"> • loans called 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 * * *	
<ul style="list-style-type: none"> • 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 shall be the same as the original loan maturity date.

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

The repledged loan interest rate shall be the applicable rate on the day the repledged loan is disbursed.

D Commodity Assessment Deductions

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

233 Loans Ineligible for Delivery or Forfeiture (Continued)**D Insufficient Value or Excess Sales Price**

If the settlement value was insufficient to clear the amount owed on the loan, establish the receivable in NRRS.

If the sales price exceeds the amount needed to repay principal and charges plus interest on the loan, the excess shall be for:

- recourse loans, refunded to the producer
- nonrecourse loans, retained by CCC.

234 Second Party Reviews**A Reviews**

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

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

B Approving Reviews

If the program technician accepts MAL or eLDP/LDP request, then he/she will **not** initial as the second party reviewer.

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 Commodities From ACRE-Elected Farms**A Commodities Harvested from ACRE-Elected Farms**

The ACRE Program reduces applicable (county, regional, or national) loan commodity rates by 30 percent if producers on a farm make the irrevocable decision to elect participation in the ACRE Program, at any time during 2009 through 2012.

Commodities harvested from an ACRE-elected farm will have a 30 percent reduction in MAL rates.

Notes: The applicable loan repayment option (the lesser of loan rate principal plus interest, 30-day, or alternative rate) will **not** be similarly adjusted with a 30 percent reduction to calculate the applicable CCC-determined value (PCP, regional county price, national posted price, or AWP).

--The loan rate used to determine LDP rates on ACRE elected farms will be reduced by 30 percent, accordingly.--

Commingled commodities harvested from ACRE and non-ACRE elected farms must be placed under separate loans.

Warehouse stored ACRE commodities require separate warehouse receipts.

If ACRE and non-ACRE production cannot be distinguished separately, then the entire quantity is subject to the 30 percent reduction in MAL rates.

Wool, mohair, and honey are **not** subject to ACRE provisions.

235 Commodities From ACRE-Elected Farms (Continued)

B Example of Determining ACRE-Elected Rate for MAL's

*--The following table illustrates how the MAL rate is computed for ACRE-elected and non-ACRE-elected farms. The applicable market gain is also computed when the CCC-determined value is \$4.50.

Example of Determining ACRE-Elected MAL Rate			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	ACRE Reduction: 30 Percent of Loan Rate (.30 x Line 1)	\$1.80	N/A
3	Effective MAL Rate Adjusted for ACRE (Line 1 - Line 2)	\$4.20	\$6.00
4	CCC-Determined Value of Commodity (Never Reduced)	\$4.50	\$4.50
5	Applicable Market Gain (Line 3 – Line 4)	\$0.00	\$1.50

C Examples of Determining ACRE-Elected Rate for LDP's

The following table illustrates how the LDP rate is computed for ACRE-elected and non-ACRE-elected farms when the CCC-determined value is \$4.

Determining LDP Rate			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	ACRE Reduction: 30 Percent of Loan Rate (.30 x Line 1)	\$1.80	N/A
3	Effective Loan Rate Adjusted for ACRE (Line 1 - Line 2)	\$4.20	\$6.00
4	CCC-Determined Value of Commodity	\$4.00	\$4.00
5	Applicable LDP Rate (Line 3 – Line 4)	\$0.20	\$2.00

The following table illustrates how the LDP rate is computed for ACRE-elected and non-ACRE-elected farms when the CCC-determined value is \$4.50.

Determining LDP Rate			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	ACRE Reduction: 30 Percent of Loan Rate (.30 x Line 1)	\$1.80	N/A
3	Effective Loan Rate Adjusted for ACRE (Line 1 - Line 2)	\$4.20	\$6.00
4	CCC-Determined Value of Commodity	\$4.50	\$4.50
5	Applicable LDP Rate (Line 3 – Line 4)	\$0.00	\$1.50

--*

236-299 (Reserved)

324 State Office Spot-Check Review

A Reviewing County Office Spot Checks

State Offices shall:

- establish controls to monitor County Office spot check completions
- annually review County Office spot check folders to ensure that:
 - spot checks are being performed in a timely manner
 - appropriate followup action is taken to correct problems detected
 - document the results of these reviews according to subparagraph C
 - maintain documented review results for 24 months.

B Reviewing Loans Open After Maturity

State Offices shall 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 APSS and a receivable 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, shall annually spot check 25 percent of COC-determined reasonable estimate of yields for each commodity.
304	State Offices shall annually spot check the commodity inspector’s work to determine the accuracy of the employee’s work.
324	State Offices shall * * * review: <ul style="list-style-type: none"> •*--county spot-check folder annually to ensure that spot checks are--* performed timely and that appropriate followup 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, shall annually spot check COC-determined yields established for producers harvesting commodities as other than grain.

325-334 (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
 - remove or dispose of a quantity of a commodity pledged as collateral for CCC commodity farm-stored loan without prior COC approval.

See Exhibit 2 for definitions of types of violations, 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, shall be subject to:

- liquidated damage assessment and other administrative actions, and shall be liable for monetary amounts as specified in the applicable regulations and terms and conditions of the applicable forms
- criminal prosecution under Federal law.

***--Note:** All shortages shall be recorded in APSS using the violation software according to 12-PS.--*

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	<p>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.</p> <p>Note: It is important that spot checks are performed and required actions taken when a discrepancy is discovered.</p>
2	<p>Initial Notification: If a violation is suspected or determined to have occurred, the county office must send the letter in Exhibit 11, subparagraph N, notifying the producer of the worst case scenario (no good faith, calling loan, liquidated damages, denial of farm-stored loans).</p> <p>Notes: If the producer is in bankruptcy status, contact your State Office before sending letters.</p> <p>If the violation involves COC member, refer the case to STC.</p>
3	<p>COC Determinations: COC shall determine the type of violation the earlier of:</p> <ul style="list-style-type: none"> • 30 calendar days after the notification letter or • after the producer responds. <p>If COC determines the violation to be incorrect certification or unauthorized removal, they may determine whether:</p> <ul style="list-style-type: none"> • 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). <p>Notes: If the producer fed, sold or lost beneficial interest in the commodity, the violation shall be considered unauthorized disposition.</p> <p>If unauthorized disposition is determined, COC shall not make a determination of good faith/no good faith or take any other administrative action until</p> <p>*--authorized by the State Office. Follow subparagraph D and paragraph 413.--*</p>

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 shall:

- 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.--*

- for loans:
 - call 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 shall **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 shall 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, the following amounts are now due for the quantity applicable to the violation **(enter as applicable)**:

- **loan principal**
- **LDP amount**
- **interest**
- **liquidated damages**
- **market gain**
- **other charges).**

Applicable interest will continue to accrue from the date of this letter until these amounts are repaid or transferred to NRRS. If these amounts are not repaid within 30 calendar days, the following actions will be taken **(enter as applicable)**:

- **entire loan will be immediately called**
- **foreclosure proceedings will begin on any ineligible commodity**
- **a receivable will be established for the following amounts due (enter as applicable):**
 - **loan principal, plus accrued interest applicable to the ineligible commodity**
 - **entire LDP amount**
 - **all market gain realized on the loan, plus interest**
 - **amount of liquidated damages**
 - **other charges).**

After the receivable is 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)

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)**. 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 taken 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 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 or transferred to receivable. If the above amounts are not repaid within 30 calendar days of this letter:

- ***--a receivable may be established**
- **foreclosure proceedings will begin on any ineligible commodity.--***

After the receivable is 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.)

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:

- shall establish written guidelines for determining when a violation occurred inadvertently, accidentally, or unintentionally
- shall 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.--*

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 shall:

- submit a memorandum to SED summarizing the situation that includes **all** of the following:
 - all actions COC has taken to date
- Note:** COC shall 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 shall notify producers of demand for payment according to subparagraphs 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 shall 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.

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.
- CCC-authorized warehouse storage and obtaining a loan on 100 percent of the net quantity shown on the warehouse receipt.

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 536--*
- 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 shall request loans at a CMA service County Office identified in 1-CMA.

501 Requesting Loans (Continued)

D 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	<p>Accept loan request by phone, in person or by FAX.</p> <ul style="list-style-type: none"> • Ensure that: <ul style="list-style-type: none"> • 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. • See if producer has signed CCC-10 and, if not, obtain the required information to complete.
2	<p>The following is needed for security documentation:</p> <ul style="list-style-type: none"> • UCC-1 on file and active for farm-stored loan requests for the loan period as determined by the individual State • 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 lien holder. <p>Note: If necessary, obtain copies of non-standard filings, as determined by individual States, to determine if CCC-679 is needed.</p>
3	<p>Check the following eligibility for all producers on CCC-666, if applicable:</p> <ul style="list-style-type: none"> •*--FSA-578 has been filed, as applicable--* • AD-1026 completed • CCC-902 E or I completed • CCC-926 completed • commodity eligibility • DCIA compliance • storage eligibility.

501 Requesting Loans (Continued)

D Suggested Loan Processing Table (Continued)

Step	Action
4	<p>The second party shall review and check bu. calculations for the following:</p> <ul style="list-style-type: none"> • certified loans • measured loans • warehouse loans. <p>Ensure that FSA-409, Part B is complete, if applicable.</p>
5	<p>Quantity eligibility according to paragraph 230.</p> <p>Ensure that quantity is within the COC set maximum yield for that commodity and crop year.</p> <p>If the County Office has a worksheet (from Price Support Query or their own query) showing eligible bu., subtract bu. on application from total eligible to keep track of eligibility balance.</p>
6	<p>If applicable, ensure that CCC-665 is completed and on file before disbursing commingled loans.</p>
7	<p>Load and/or process loan requests in APSS according to 12-PS.</p> <p>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 APSS.</p> <p>If CCC-677 or CCC-678 is to be mailed to the producer for signatures or the producer will be coming into the office at a later date to sign, then the loan can be printed and saved in APSS.</p>

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 the debtor's exact full legal name, and if the debtor is 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 shall obtain CCC-10 and signatures as follows:

- if CCC-10 is **not** already filed, obtain a signed CCC-10
- 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
 - 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, "LP 1-2 Financing Statements."

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](http://intranet.fsa.usda.gov), CLICK “FFAS Employee Forms/Publications Site”.--*

D Instructions for Preparing CCC-10's

County Offices shall prepare CCC-10 according to this table.

Item	Instructions
Part B	Ensure that the producer understands the statements in part A.
1	CHECK (✓) box for: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> •*--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: <ul style="list-style-type: none"> • individual, enter the first, middle, and last name and, if applicable, a suffix • organization or entity, enter the full legal name of the organization or entity. <p>Note: This is the name that will be used on UCC forms.</p>
4	If box in item 1 is checked for individual, enter the first, middle, and last name and, if applicable, a suffix for a spouse. <p>Note: This is the name that will be used on UCC forms for additional debtors.</p>
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. <p>Note: Members of informal joint operations or ventures are treated as individuals *--and must complete individual CCC-10's.--*</p>

502 Completing CCC-10's (Continued)

D Instructions for Preparing CCC-10's (Continued)

Item	Instructions
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.
Part C	Authorization To File
*--9	<p>Ensure that the producer understands the statement in item 9.</p> <p>Note: Authorization to sign for another individual, organization, or entity must be on file in the FSA office for the signature to be valid.</p>
10A-10F	<p>If item 1, "individual" was checked (✓), the individual identified in item 3 shall sign their full and complete name and, if applicable, a suffix, in item 10A. An individual signing in a representative capacity shall also sign their name in item 10A, followed by their title/relationship in item 10B. The date of signature shall be entered in item 10C.</p> <p>The individual identified in item 4 shall sign their full and complete name, and if applicable, a suffix in item 10D. An individual signing in a representative capacity shall also sign their name in item 10D, followed by their title/relationship in item 10E. The date of signature shall be entered in item 10F.</p>
11A-11F	<p>If item 1, "organization or entity" was checked (✓), enter the legal name of the organization or entity in item 11A. The individual authorized to sign for the organization or entity shall also sign their name in item 11A, and include their title/relationship in item 11B. The date of signature shall be entered in item 11C.</p> <p>Example: Item 11A, Hobbitt Farms, John H. Smith Item 11B, Partner"</p> <p>If an additional signature is required for an organization or entity, that additional individual shall sign in item 11D. Their title/relationship shall be entered in item 11E, and the date in item 11F.--*</p>

502 Completing CCC-10's (Continued)

E Example of CCC-10

The following is an example of a completed CCC-10.

*--

<p>This form is available electronically.</p>		<p>Form Approved – OMB No. 0560-0215</p>
<p>CCC-10 (08-31-11)</p> <p>U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation Farm Service Agency</p> <p>REPRESENTATIONS FOR COMMODITY CREDIT CORPORATION OR FARM SERVICE AGENCY LOANS AND AUTHORIZATION TO FILE A FINANCING STATEMENT AND RELATED DOCUMENTS</p>		
<p><small>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 7 CFR Part 761, 7 CFR Part 1436, 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.) and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to provide CCC's or FSA's notice of intent to protect its security interest, identify debtor or entity, and authorize 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 denial of loan benefits.</small></p> <p><small>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.</small></p>		
<p>PART A – INTRODUCTION</p>		
<p>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.</p>		
<p>PART B – REPRESENTATION OF UNDERSIGNED</p>		
<p>1. Type of Undersigned: <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Organization or Entity</p>	<p>2. Social Security Number or Tax Identification Number (9 Digits) 111-XX-79XX</p>	
<p>3. Undersigned's Full Legal Name John Roscoe Smith, Jr.</p>	<p>4. Spouse's Full Legal Name Anita LuAnne Baxter Smith</p>	
<p>5. State and County of Primary Residence if Undersigned is an Individual New Jersey, Adams County</p>	<p>6. If Undersigned is an Organization or Entity, Specify the Type of Organization or Entity</p>	
<p>7. If undersigned's organization or entity is a registered organization or entity, specify the state in which the organization or entity was created.</p>		
<p>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.</p>		
<p>PART C – AUTHORIZATION TO FILE</p>		
<p>9. <i>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></p> <p><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></p>		
<p>10A. Signature of Individual in Item 3 (By) /s/ John R. Smith Mr.</p>	<p>10B. Title/Relationship of the Individual Signing in the Representative Capacity Self</p>	<p>10C. Date (MM-DD-YYYY) 07-18-20XX</p>
<p>10D. Signature of Individual in Item 4 (By) /s/ Anita LuAnne Baxter Smith</p>	<p>10E. Title/Relationship of the Individual Signing in the Representative Capacity Self</p>	<p>10F. Date (MM-DD-YYYY) 07-18-20XX</p>
<p>11A. Signature for Organization or Entity in Item 3 (By)</p>	<p>11B. Title/Relationship of the Individual Signing in the Representative Capacity</p>	<p>11C. Date (MM-DD-YYYY)</p>
<p>11D. Signature for Organization or Entity in Item 3 (By)</p>	<p>11E. Title/Relationship of the Individual Signing in the Representative Capacity</p>	<p>11F. Date (MM-DD-YYYY)</p>
<p><small>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.</small></p>		

--*

503 Loan Benefits Denial Notification

A Notifying Producers

When the producer is denied loan benefits, County Offices shall:

- immediately notify the producer in writing
- use the letter in Exhibit 11, 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.

504 Lien Searches (Continued)**D When to Perform Lien Searches**

Lien searches shall be performed:

- **after** the loan request is filed and **before** the loan is approved and disbursed
- when collateral for a warehouse-stored loan is transferred to farm storage according to paragraph 617.

* * *

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 505.

E Action After Lien Searches Are Performed

When lien searches are completed, County Offices shall:

- file results of searches in applicable loan folders
- **before** loan disbursement, **require** producers to provide CCC-679's according to paragraph 505, for each lienholder discovered on lien search.

***--F CMA, DMA, and LSA Responsibilities**

CMA's, DMA's, and LSA's shall 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 shall provide CCC-679 that is:--*

- completed according to subparagraph 505 D
- signed by the applicable lending institution.

G Paying Lien Search Fees

Issue payment using the online payment web-based application for the lien search fees.

504 Lien Searches (Continued)

H Lien Search and Filing Fees Paid by Producers

--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 shall **not** be deducted from the loan proceeds.

Note: County Offices shall 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 shall 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.

505 CCC-679's

A Obtaining CCC-679's

CCC-679's shall 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 shall 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.

506 County Loan Rates (Continued)

B Recording Loan Rates in APSS

Record loan rates for the applicable commodities in APSS:

- by crop year
- according to 12-PS.

Note: Second party loan rate reviews are **required** by initialing and dating the printed copy.

C Requesting Loan Rates for New Crops

To request loan rates that are **not** available, State Office shall contact PSD.

D ACRE-Elected Loan Rate Adjustments

The base loan rate for commodities pledged for a loan or LDP request harvested from an ACRE-elected farm will be reduced by 30 percent through APSS, as applicable.

--See paragraph 235 for additional ACRE-elected provisions.--

507 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 shall **not** add any other fees to the loan service fee established by CCC.

B Loan Service Fee Rates

The loan service fee:

- is **not** applicable to LDP's
- shall be the **smaller** of the following:
 - 1/2 (.005) of 1 percent times the gross loan amount
 - amount shown in this 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

508 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 repledged loans:

- the maturity date shall be the same as the original loan maturity date
- in APSS, enter the approval date of the original loan to establish the proper maturity date for the repledged loan.

Distress loans mature on demand, but no later than 90 calendar days after the date the loan is disbursed. The collateral may be repledged for loan according to paragraph 1221.

B Nonworkday

If the maturity date falls on a nonworkday, the maturity date shall be the next workday.

C Maturity Month Table

This table shows applicable maturity months. 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

509 Disbursing Loans

A Preparing CCC-677 or CCC-678

Prepare CCC-677 or CCC-678 in APSS according to 12-PS.

*--All commodity loans **must** be recorded through APSS and disbursed through NPS. For manual processing when APSS will be unavailable for an extended period of time, State Offices shall contact the National Office.--*

Disburse loan proceeds as directed by 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.

*--**Note:** Loan proceeds are **not** assignable. See 63-FI, paragraph 64.--*

B Approving CCC-677's or CCC-678's

Approve CCC-677 or CCC-678 for CCC when:

- all lien 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.

When CCC-677 or CCC-678 is approved, the person signing for CCC shall have determined that 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 shall **not** be later than 30 calendar days after the approval date or final loan availability date.

C Denial Notification

See paragraph 503 for notifying producers when loan benefits are denied.

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 shall:

- 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 506.

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).

Note: The loan rate for commodities harvested from ACRE-elected farms **must** be adjusted according to Part 2, Section 2.

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 shall 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 table illustrates how the commodity harvested as other than grain MAL rate is computed for ACRE-elected and non-ACRE-elected farms.

Determining Commodities Harvested as Other Than Grain MAL Rate			
Line	Description	ACRE	Non-ACRE
1	MAL Rate (County Rate for Corn))	\$2.00	\$2.00
2	ACRE Reduction: 30 Percent of MAL Rate (.30 x Line 1)	\$0.60	N/A
3	Effective MAL Rate (Adjusted for ACRE, if applicable)	\$1.40	\$2.00
4	Nonrecourse MAL Rate for Commodities Harvested as Other Than Grain: 30 Percent of Loan Rate (.30 x Line 3)	\$0.42	\$.60

--*

520 Nonrecourse Loan Requests and Loan Rates (Continued)

E Contaminated Commodities

For contaminated commodities, the 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.

*--The following table illustrates how the contaminated commodity MAL rate is computed for ACRE-elected and non-ACRE-elected farms.

Determining Contaminated Commodity MAL Rate			
Line	Description	ACRE	Non-ACRE
1	MAL Rate (County Rate for Corn))	\$2.00	\$2.00
2	ACRE Reduction: 30 Percent of MAL Rate (.30 x Line 1)	\$0.60	N/A
3	Effective MAL Rate (Adjusted for ACRE, if applicable)	\$1.40	\$2.00
4	Nonrecourse MAL Rate for Contaminated Commodities: 10 Percent of Loan Rate (.10 x Line 3)	\$0.14	\$.20

--*

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 except for the 30 percent acre reduction, if applicable.

*--The following table illustrates how the low quality commodity MAL rate is computed for ACRE-elected and non-ACRE-elected farms.

Determining Low Quality Commodity MAL Rate			
Line	Description	ACRE	Non-ACRE
1	MAL Rate (County Rate for Corn))	\$2.00	\$2.00
2	ACRE Reduction: 30 Percent of MAL Rate (.30 x Line 1)	\$0.60	N/A
3	Effective MAL Rate (Adjusted for ACRE, if applicable)	\$1.40	\$2.00
4	Nonrecourse MAL Rate for Low Quality Commodities: 20 Percent of Loan Rate (.20 x Line 3)	\$0.28	\$.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, shall **not** be considered a low quality commodity. See subparagraph 225 H. For the falling number discounts for wheat, see 2-LP Grains and Oilseeds.--*

520 Nonrecourse Loan Requests and Loan Rates (Continued)**G Premiums and Discounts**

For 2009 through 2012 crop years, 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.

521 Filing UCC-1's**A UCC Article 9 Revision**

All States have adopted the 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 shall:

- 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.

521 Filing UCC-1's (Continued)

B Applicability

County Offices shall 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.--

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.

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: <ul style="list-style-type: none"> • 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.

524 Completing and Distributing CCC-666's

A Completing CCC-666's

Complete CCC-666 according to this table.

Item	Instructions
1	Enter County Office's name, address, and telephone number.
2	Enter applicable information. For joint loans, enter all producers' names and addresses.
3	Enter location or legal description where commodity is stored.
4	Enter crop year of commodity.
5	Enter commodity.
6	Enter type of loan collateral, if applicable. Indicate if corn is cracked, rolled, or crimped.
7	Enter State and county codes and loan number applicable to the County Office disbursing the loan.
8	<p>Ask producer if there are liens on the commodity. If there are:</p> <ul style="list-style-type: none"> • lienholders, enter lienholder's name and address for each producer • no lienholders, producer shall ENTER "none" and initial the entry.
9	Enter farm number or numbers where the commodity for the loan was produced.
10	If designated by producer, enter other payee information, including amounts.
11	<p>Enter County-Office assigned seal numbers for each storage structure containing loan collateral.</p> <p>Note: 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.</p>

524 Completing and Distributing CCC-666's (Continued)

A Completing CCC-666's (Continued)

Item	Instructions
12	Enter description of structure and location. Example: "Round steel bin next to barn."
13	Enter class, variety, or type of commodity.
14	Enter basis for producer's quantity determination, such as producer measurements, scale tickets, FSA measured loan requested, etc. 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 shall complete measured loan requests according to paragraph 525.
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 shall not exceed quantity in item 15. Enter total of entries at bottom of column. Note: For measured loans. in item 19 B, County Offices shall ENTER, "See FSA-409 and CCC-677-1".
17	Enter quantity for loan (paragraph 528). Enter total of entries at bottom of column. Enter moisture content certified by the producer for excess moisture or HM commodities in item 19 B.

524 Completing and Distributing CCC-666's (Continued)

A Completing CCC-666's (Continued)

Item	Instructions
18	<p>Producer shall sign and date the Producer Certification.</p> <p>County Offices shall:</p> <p>* * *</p> <ul style="list-style-type: none"> •*--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.
19 A	Enter amount for offset and for other payees, if applicable, from item 8.
19 B	<p>Do the following:</p> <ul style="list-style-type: none"> • enter additional structures designated by the producer • indicate whether the: <ul style="list-style-type: none"> • commodity will be dried • structure can be measured.
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.
22	County Office employee shall sign and date for CCC.

524 Completing and Distributing CCC-666's (Continued)

B Example of CCC-666

The following is an example of CCC-666.

*--

This form is available electronically CCC-666 (06-25-08)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation FARM STORED LOAN QUANTITY CERTIFICATION		1. COUNTY FSA OFFICE NAME AND ADDRESS Any County FSA Office 999 Any RD Town, ST 99999-9999 Telephone No. (area code), (999) 999-9999		
2. NAME AND MAILING ADDRESS OF PRODUCER Able Farmer 9999 Any RD Town, ST 99999-9999		3. LOCATION OF FARM WHERE STORED 9999 Any RD Town, ST		4. CROP YEAR 20XX	5. COMMODITY Corn	6. TYPE <input type="checkbox"/> HM <input type="checkbox"/> EAR CORN <input type="checkbox"/> ATHM
7. ST. & CO. CODE & LOAN NO. 99-999-99999		8. LIENHOLDER(S)		9. FARM NUMBER(S) WHERE PRODUCED 9999		10. OTHER PAYEEES None
11. SEAL CN-YY- /xxx X-N	12. BIN IDENTIFICATION North Bin 1	13. CLASS VARIETY OR TYPE VC	14. BASIS FOR PRODUCER'S QUANTITY DETERMINATION North 36' Bin	15. QUANTITY IN BIN 15,000	16. ELIGIBLE QUANTITY IN BIN 15,000	17. TOTAL QUANTITY FOR LOAN 10,000
TOTALS:				15,000	15,000	10,000
18. PRODUCER'S CERTIFICATION The undersigned producer(s) ("Producer") requests a farm-stored Commodity Credit Corporation (CCC) loan on the commodity identified in Item 5 with respect to the quantity specified in Item 17. The Producer certifies that: (1) the Producer has beneficial interest in the quantity of the commodity shown in Item 16; (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; (4) the quantity of the commodity shown in Item 15 above is in existence and is stored in the bin(s) noted; (5) the commodity is in storable condition and such condition will be maintained; (6) the structure will safely store the commodity through the loan period; and (7) the commodity on which the loan is requested is free and clear of all liens, security interest, and encumbrances, except as shown above. The Producer further agrees 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. Are you or any co-applicant delinquent on any federal non tax debt? (If "YES", provide details in the remarks) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO						
18A. REMARKS			18B. PRODUCER'S SIGNATURE /s/ Able Farmer		18C. DATE (MM-DD-YYYY) 09-15-20XX	
19. FOR OFFICIAL USE ONLY						
A. OFFSETS \$			20. LIEN SEARCH DATE (MM-DD-YYYY) 09-20-20XX		21. DATE UCC-1/UCC-1 F FILED (MM-DD-YYYY) 09-15-20XX	
B. REMARKS Producer Certified moisture at 14.0% and TWT of 56.0			22. FOR CCC BY: /s/ CED Signature		DATE (MM-DD-YYYY) 09-21-20XX	
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Note: An entry in item 14 is required. Leaving item 14 blank will cause COR findings or Improper Payments Information Act of 2002 results.--*

C Distributing CCC-666

File original in the producer's loan folder and provide a copy to the producer.

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 **not** result in an additional disbursement for additional quantity.

H Completing Transfer

Complete the farm-to-warehouse transfer through APSS:

- according to 12-PS
- for the quantity and quality shown on the warehouse receipt and, if applicable, KC-350 (Grain) or KC-350 (Oilseed)
- deducting loan service fees according to subparagraph 507 B.

All producers who signed CCC-677 shall endorse the warehouse receipts and CCC-678 generated through APSS 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 factors require using the additional schedule of discounts, notify the producer of the following choices:

- adjust the loan rate to 20 percent of the loan rate according to subparagraph 540 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.--*

- notify the producer that the loan can be converted to a recourse loan within 30 calendar days.

Complete the conversion to a recourse loan according to Part 12 and the following:

- *--use the Correct a Loan process, according to 12-PS
- a receivable will automatically be created in NRRS
- re-record as a manual recourse farm-stored measured loan according to 12-PS

Note: For corrections, assign the next 90,000 number from the CCC-676. A 90,000 number will denote a manual loan and allow users to enter the original disbursement date.

- NRRS will automatically apply the proceeds of the new loan to the receivable created when the 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.--*

If forfeited, **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.

700 General Repayment Information (Continued)

D Repayment Date

The repayment date shall be the date the repayment is received in the County Office that disbursed the loan.

E Recording Repayments

Record repayments according to 12-PS.

Note: Before recording market loan repayments on warehouse-stored loans, make additional disbursements, if applicable, according to paragraph 511.

CCC-500 will be generated by APSS. County Office shall:

- sign and date CCC-500
- provide the producer the original CCC-500 as a receipt for the repayment
- keep a copy in the loan folder.

Note: Do **not** send CCC-500 to FRB.

--Prepare and deposit collections according to 3-FI and 64-FI.--

700 General Repayment Information (Continued)

F CCC-500 Explanation and Action

This table provides explanations and actions required for CCC-500's.

Item	Explanation/Action
1-6	Self explanatory.
7	Total amount * * * received from borrower.
8	Information for this repayment, as follows: A total number of bu/cwt./lbs redeemed B principal liquidated C interest paid D cost to the borrower on a per bu./cwt./lb. basis.
9	Information on the outstanding balance after repayment, as follows: A number of bu/cwt./lbs remaining under loan B loan principal remaining on the loan.
10	Details on the repayment, as follows: A seal number or warehouse receipt number identifying where the grain is stored B total number of bu/cwt./lbs redeemed C date loan was disbursed D date loan was repaid E amount the borrower repaid, including principal and interest F number of bu/cwt./lbs remaining under loan after the repayment G loan principal outstanding on the loan after the repayment. Note: If all bins or receipts do not fit on CCC-500, CCC-500-1 will print in APSS.
11	Reserve storage and other charges, as follows: A no longer applicable B no longer applicable C if the loan was loaded in the violation software, list the liquidated damages paid by this repayment.
12	Notice to borrower of dishonored check provisions.
13	Amount of waived interest will be listed if a marketing loan repayment was processed.
14	County Office shall sign and date.

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 has been called
- for any quantity delivered on CCC-681-1 after maturity
- matured loans.

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 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.

B Determining CCC-Determined Value

The CCC-determined value for the day the repayment is received in the County Office that disbursed the loan shall be used in determining the repayment rate.

Follow Section 6 to calculate the CCC-determined value using the terminal market prices posted on the “Daily Market Rates” for commodities that are downloaded from KCCO.

See paragraph 716 for locking-in repayment rates on CCC-697.

* * *

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
- paragraph 341 and 12-PS for recording production evidence.

D Market Gain Reported to IRS

The market 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 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.

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 shall be the next workday.

C Applicability

CCC-697 is applicable to any farm-stored or warehouse-stored loan collateral, **except** cotton.

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.

716 Locking-In Repayment Rates (Continued)**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 shall:

- flag the loan folder to indicate quantity not eligible for further lock-in requests
- not include this quantity in any subsequent CCC-697 request.

M Terms and Conditions

The contact producer must initial each CCC-697, Part B term 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 shall be at principal plus applicable interest
- 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 out of issuing county, then all CCC-697's applicable to the loan are cancelled

716 Locking-In Repayment Rates (Continued)

M Terms and Conditions (Continued)

- 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 the loan, CCC-681-1 **must** be requested.

* * *

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 if transferred within the same county where the loan commodities were originally farm-stored.

Note: A subsequent CCC-697 shall **not** be approved on any loan resulting from a transfer where the original loan had an outstanding, expired, or canceled CCC-697. This includes any loan quantity that was **not** locked in on CCC-697 or the 110 percent overrun allowed under the farm-to-warehouse transfer process.

O Called Loans

The repayment rate locked in on CCC-697 is **not** applicable to called loans.

See Part 4 for procedure on loan violations.

717 Completing CCC-697's

A Instructions for Completing CCC-697's

When the computer is **not** operable, manually complete CCC-697 for each request to lock in a repayment rate according to this table.

Item	Instructions
1	Enter applicable State code.
2	Enter applicable county code.
3	Enter applicable crop year.
4	Enter loan number.
5	Enter applicable commodity.
6	Enter loan maturity date.
7	Enter expiration date, as applicable. The expiration date is the earlier of: <ul style="list-style-type: none"> • 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 applicable County Office.
10B	Enter telephone number, including area code, of the applicable County Office.--*

717 Completing CCC-697's (Continued)

A Instructions for Completing CCC-697's (Continued)

Item	Instructions
Part A	<p>*--Enter the following:</p> <ul style="list-style-type: none"> • repayment rate <p>Note: Must be the rate in effect on the date CCC-697 is approved.</p> <ul style="list-style-type: none"> • date of approval <p>Note: Must be the date CCC-697 is approved.</p> <ul style="list-style-type: none"> • quantity to be repaid at the locked-in repayment rate. <p>Note: For proper approval of CCC-697 that was received by FAX, see subparagraph 716 H.--*</p> <p>If there are more than one CCC-697 outstanding for farm-stored or warehouse-stored loans, 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.</p> <p>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 shall 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.</p>
Part B	<p>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.</p>

717 Completing CCC-697's (Continued)

A Instructions for Completing CCC-697's (Continued)

Item	Instructions
Part C	<p>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.</p> <p>*--Required individuals shall sign their full name in items 1, 5, and 9, as applicable. An individual signing in a representative capacity shall 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 shall be entered in items 3, 7, and 11, along with the date of signature in items 4, 8 and 12.</p> <p>Required entity signatures for the individual authorized to sign for the entity shall 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 shall be entered in items 3, 7, and 11, along with the date of signature in items 4, 8, and 12, as applicable.</p> <p>Note: Authorization to sign for another individual or entity must be on file in the FSA office for the signature to be valid.--*</p>
Part D	<p>COC shall 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 the date to lock-in the repayment rate. For proper approval of faxed CCC-697, see subparagraph 716 H. Approve CCC-697 as soon as possible.</p> <p>COC, or designee, shall sign, provide title, and date CCC-697.</p>
Part E	<p>*--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's, and the date, as applicable.--*</p>
	<p>Provide the contact producer with a copy of CCC-697 and file a copy in the loan folder, as applicable.</p> <p>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.</p>

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.		<i>See Page 2 for Privacy Act and Public Burden Statements.</i>			
CCC-697 U.S. DEPARTMENT OF AGRICULTURE (08-30-11) Commodity Credit Corporation		1. State Code 19	2. County Code 199	3. Crop Year 20XX	4. Loan Number 125
REQUEST TO LOCK IN A MARKET LOAN REPAYMENT RATE		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
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 Identification 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 Identification 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 Identification No.	12. Date (MM-DD-YYYY)
PART D – COC OR DESIGNEE'S SIGNATURE					
1. Signature of COC or Designee /s/ Polly Program Technician		2. Title PT		3. Date (MM-DD-YYYY) 05-11-20XX	
<p><small>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.</small></p>					

--*

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: <ul style="list-style-type: none"> • 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 shall **manually** insert the following statement in CCC-500, “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 When to Manually Calculate Lump-Sum Repayments

County Offices shall manually calculate lump-sum repayments **only** when the following situations apply:

- computer is **not** working
- to explain to producers how lump-sum repayments are calculated by APSS and attributed to applicable bins under loan.

Notes: Lump-sum repayments are **not** applicable to warehouse-stored loans.

--When entering lump-sum repayments into APSS, APSS rounds the quantity to fit the repayment amount. All lump-sum repayments shall be rounded down, so a refund will be generated. APSS and NRRS are unable to hold the small balance to be applied at a later time. Current FI procedure is to be followed for refunding amounts of \$9.99 or less.--

B Applying Lump-Sum Repayment Amounts

Instructions in this table provide how repayment amounts are determined and applied by bin, for **each** bin included on a loan for which a lump-sum repayment is made.

Determine the following amounts, as applicable:

- principal
- interest
- quantity redeemed when a lump-sum repayment is used to repay a partial bin.

Note: Repay receivables and overdisbursements first. Apply any remaining amount as a lump-sum repayment.

719 Lump-Sum Repayments (Continued)

B Applying Lump-Sum Repayment Amounts (Continued)

Step	Action		
1	Determine the number of days applicable at each interest rate for the bin being repaid.		
2	Multiply the number of days at each interest rate times the interest rate times the outstanding principal amount for the selected bin divided by 365 calendar days.		
3	Add outstanding principal and calculated interest amounts for the selected bin to determine the payoff amount for the selected bin.		
4	IF the lump-sum amount received is...	AND any remaining amount will be...	THEN...
	equal to or greater than the amount determined in step 3	refunded to the producer or buyer, as applicable	<ul style="list-style-type: none"> • complete the repayment using the amount determined in step 3 • prepare a refund according to 3-FI.
	less than the amount determined in step 3	applied to another bin	note the calculated bin repayment amount and go back to step 1 for the next selected bin. calculate a liquidation factor according to step 5.
5	To determine a liquidation factor for the final selected bin; divide the balance of the lump-sum amount received by the amount determined in step 3. Round this factor to 9 decimal places.		
6	Multiply the liquidation factor determined in step 5 by the outstanding quantity for the selected bin. Round any partial unit up to the next whole unit.		
7	Multiply the quantity determined in step 6 by the loan rate for the selected bin to determine the principal amount to be repaid.		
8	Subtract the amount determined in step 7 from the balance of the lump-sum amount received. The difference is the interest amount for the lump-sum repayment.		
9	Complete the repayment and prepare a manual CCC-500 using the total repayment amounts calculated for all bins selected for the lump-sum repayment (see subparagraph C for an example).		

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
- the producer shall 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.

D Delivery Period

The producer is responsible for choosing the requested delivery period for each applicable CCC-681-1. The delivery period:

- may be either of the following:
 - 15 calendar days
 - 30 calendar days
- 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 shall be the next workday.

The **entire** outstanding loan quantity shall 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.

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.

Two or more CCC-681-1's may be approved for the **same** loan to **different** buyers during the **same** delivery period. The **entire** outstanding loan quantity shall 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 G.

F CCC-681-1 Expiring or Requested After Maturity

County Offices shall 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 11, subparagraph G or H).
is requested after the loan maturity date	repayment shall be made at principal and charges, plus interest.

--See table in Exhibit 31 for an example of actions and applicable dates for a mature MAL and CCC-681-1.--

770 Repayments and Releases (Continued)

D Example of CCC-685

The following is an example of CCC-685.

<p>This form is available electronically.</p>		<p>U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation</p>			
<p>CCC-685 (09-28-10)</p>		<p>AUTHORIZATION TO RELEASE WAREHOUSE RECEIPTS</p>			
<p>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 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 enable producers to authorize FSA to release warehouse receipts to a designated individual or entity. 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 producers to authorize FSA to release warehouse receipts to a designated individual or entity.</i></p> <p><i>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 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></p>					
<p><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></p>					
<p>1. County FSA Office holding Warehouse receipts Any County FSA Office 999 Any Road Town, ST 99999-9999</p>	<p>WAREHOUSE RECEIPTS TO BE RELEASED</p>		<p>5. Release To (Name and Address) Farmers Coop Warehouse 999 Any Rd. Town, ST 99999-9999</p>		
<p>2. Commodity Wheat</p>		<p>4. Warehouse Receipt No.'s 9999</p>			
<p>3. Loan No. XX-XXX-XXXX</p>					
<p>Loan Repayment Information: Make draft payable to CCC and deliver to County FSA Office shown above.</p>					
<p>6. If repayment is Received On:</p>	<p>Date (MM-DD-YYYY) 04-01-20YY</p>	<p>7. Repayment is:</p>	<p>Amount \$ 6,388.14</p>	<p>8. If repayment is made after date shown, add the following for each additional day beyond such date:</p>	<p>Amount \$ 1.94</p>
<p>9A. Signature of Producer (By) /s/ Able Farmer</p>		<p>9B. Title/Relationship of the Individual Signing in a Representative Capacity Self</p>		<p>9C. Date Signed (MM-DD-YYYY) 04-01-20XX</p>	
<p>10A. For the County FSA Committee BY /s/ County Office Employee</p>		<p>10B. Effective Date (MM-DD-YYYY) 11-20-20XX</p>		<p>10C. Authorization Void After Date (MM-DD-YYYY) 11-30-20XX</p>	
<p>Form NOT VALID unless signed by both producer and representative of the County FSA Office.</p>					

770 Repayments and Releases (Continued)

E Distributing CCC-685's

Distribute copies of CCC-685 as follows:

- provide producer with **2** copies
- 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.

771 (Withdrawn--Amend. 21)

772-782 (Reserved)

Section 6 Calculating Market Loan Repayment Rates

783 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 following:

- LDP rates
- market loan repayment rates.

***--Note:** CCC-determined value shall **not** be adjusted for ACRE. However, the loan rate used to determine the LDP rate is the result of the ACRE adjustment, as applicable.--*

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 following:

- loan rate plus interest
- the 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, as an example, apply to all outstanding 2010 crop MAL's and 2011 MAL's and LDP's.

Complete market loan repayments according to paragraph 715 and Section 4.

784 Terminal Market Rates and County Differentials

A Terminal Market Rates

County Offices are assigned 1 or 2 terminal markets for each commodity by KCCO. 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.

***--Note:** Mohair rates will be announced until all 2010 crop year mohair loans have matured.--*

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.

C Daily Market Rates

The terminal market rates are downloaded from KCCO and posted to www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=rpt; scroll down and CLICK “**Market Prices**”.

KCCO maintains and archives market prices for public use at www.fsa.usda.gov/FSA/webapp?area=home&subject=coop&topic=rpt; scroll down and CLICK “**Archived Market Prices**”.

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.

786 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.

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 785 G and I).

786 Calculating CCC-Determined Value (Continued)

C Calculating the CCC-Determined Value (Continued)

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 the county used to disburse the loan when determining the CCC-determined value.

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 shall obtain loan repayment information, PCP's, and LDP rates from PSD's web site.

787-789 (Reserved)

Section 7 (Withdrawn--Amend. 3)

790-793 (Withdrawn--Amend. 3)

794-796 (Reserved)

797 Maturity Notification to Producers (Continued)

D Options Available for Loans

County Offices shall follow this table for the 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 is repaying with cash. * * *
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: Repayments with cash made **after** maturity and **before** queuing the forfeiture or settlement of the loan:

- may be accepted
- shall be made at principal and charges plus interest.

E Loans Open After Maturity

County Offices shall, for:

- nonrecourse farm-stored loans, send the applicable demand letter in Exhibit 11 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 a receivable through NRRS, according to Exhibit 11, subparagraph A, “recourse loan” and “distress loan”.

If the commodity has **not** been delivered by the established time period, foreclosure proceedings will begin according to paragraph 866.

798, 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

Before loan maturity, CED or designee shall contact authorized 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.--*

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 shall contact the State Office for assistance in:

- locating available storage space
- planning deliveries in the following order of priority:
 - to authorized warehouses for shipment on a handling only basis
 - to trackload
 - for local sale for isolated farm-stored lots
- considering which of the following is to CCC's advantage:
 - paying excess haul to beyond the normal delivery point according to subparagraph 817 E
 - consolidating loading orders at another location in the county or nearby county
 - local sale.

800 Preparing for Deliveries (Continued)

C State Office Action

When contacted by a County Office, the State Office shall:

- contact KCCO, WLED, SCB
 - by telephone at 816-926-6843
 - for assistance in making storage space available
- document and maintain records of these contacts.

D Scheduling Deliveries

County Offices shall:

- work out a schedule of deliveries to authorized warehouses for storage with the warehouse operator
- if possible, direct deliveries to warehouses at customary delivery points with the lowest handling and storage rates.

After the loading order is received from KCCO, schedule deliveries to:

- authorized warehouses for **handling only** according to subparagraph 804 B
- **trackload only** according to paragraph 805.

801 Issuing CCC-691's**A When to Issue CCC-691's**

For **nonrecourse** loans, County Offices shall complete CCC-691, prepare demand letter, according to Exhibit 11, subparagraph G, 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 11, subparagraph B:
 - 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.

For recourse loans after maturity, and repayment has **not** been received, do **not** issue CCC-691.

See Section 3 for completing local sales.

***--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 11, subparagraph A for table of applicable actions.--*

801 Issuing CCC-691's (Continued)

B Completing CCC-691's Through Part A

County Offices shall 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
1-6	Enter information applicable to the loan.
7 and 8	Leave blank.
9	Enter outstanding loan quantity to be delivered.
10	Enter outstanding loan amount 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 shipping or storing warehouse. Note: For trackload, enter delivery point and railroad.
15	If location is same as item 14, ENTER " Same ". Note: For trackload, enter scale location.
16	Allow sufficient time for delivery, depending on quantity involved. *-- Note: Usually this is not more than 15 calendar days unless there are extenuating circumstances that are documented.--*
17	Obtain appropriate signature for CCC approval and date.
18	Enter name and address of County Office.

801 Issuing CCC-691's (Continued)

B Completing CCC-691's Through Part A (Continued)

The following is an example of a completed CCC-691.

C Distributing Initial CCC-691's

County Offices shall initially distribute CCC-691 as follows:

(See Reverse for Privacy Act and Public Burden Statements.)						Form Approved - OMB No. 0560-0087							
CCC-691 (04-23-98)		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 <input type="checkbox"/>		8. Voluntary Early Delivery Subject to Storage Deduction <input type="checkbox"/>			9. Outstanding Loan Quantity 15,000 Bu	10. Balance To Be Settled \$ 18,600	11. Disbursement Date 8-20-2002
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: <input type="checkbox"/> Pounds <input checked="" type="checkbox"/> Bushels <input type="checkbox"/> CWT <input type="checkbox"/> Bales <input type="checkbox"/> 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 6-18-2003			
17. Commodity Credit Corporation By: /s/ Polly Program Technician				Date 6-3-2003		18. Name and Address of County FSA Office ABC County FSA Office Box C , Wayside NE 68501-0123							

- send to the producer the:
 - original CCC-691
 - demand letter according to Exhibit 11, subparagraph G
- keep County Office pending copy in applicable loan folder
- send remaining copies to:
 - warehouse, for warehouse storage and handling only deliveries
 - County Office representative at delivery point if for trackload or local sale.

Note: Warehouses shall return all CCC-691 copies, **except** warehouse file copy, to County Office with applicable warehouse receipts.

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 may:

- issue CCC-681-1, according to paragraph 741, if the settlement has **not** been processed through APSS
- 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 shall 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 shall 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 the 30th calendar day after the CCC-691 expiration or extended expiration date, County Offices shall, on the 31st calendar day after the CCC-691 expiration or extended expiration date:

- spot check the loan
- initiate foreclosure proceedings according to paragraph 866

Handle loan deficiencies resulting from foreclosure proceedings according to paragraph 823.

***--B Extension of Expiration Date**

The expiration date of CCC-691 may be extended **only** in extenuating circumstances that are beyond the producer's control. The reasons for the extension **must** be documented in the loan folder.

If additional time is requested, the County Office shall 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 Authorized Warehouses

A Delivery for Storage

For deliveries to authorized warehouse for storage, County Offices shall schedule deliveries as rapidly as the warehouse can receive the commodity.

B Delivery for Handling Only

For deliveries to authorized warehouse for handling **only**, complete CCC-643 according to paragraph 806.

Reminder: Shipping instructions must be available **before** warehouse operator begins to receive the commodity.

For deliveries on an identity preserved basis, a County Office representative shall:

- supervise the delivery
- take a representative sample and submit for a grade determination for use in settling with the producer.

820 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 shall...
fails to obtain the warehouse receipt and CCC-691 from the County Office for correction	<ul style="list-style-type: none"> • 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 through NRRS. The receivable amount is equal to the principal plus interest as of the date of the demand letter. On the 31st calendar day, if the amount due is not repaid by the 30th calendar day after the CCC-691 expiration or extended expiration date, the interest start date for the receivable shall be the 31st calendar day after the CCC-691 expiration or extended expiration date.
returns the corrected documents after the claim has been established	follow paragraph 867 and 12-PS for processing settlement of the loan in receivable status.

Note: If the loan collateral is sold by local sale, process settlement in APSS according to 12-PS.

821 Determining Loan Settlement Values**A Base Loan Rates**

If the commodity is delivered to CCC from farm storage, settlement shall 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.

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.

***--Note:** For commodities where the loan rate was reduced for ACRE-elected farms, the base loan rate is the adjusted ACRE loan rate, as applicable.--*

C Weight Basis for Premiums and Discounts

See applicable 2-LP for applicable weight basis.

821 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

Discounts applied during a settlement may result in the commodity having a value of zero or less than zero. If this situation occurs, use zero for the settlement value of the commodity.

*--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 shall have a settlement value of **zero**.

822 Completing Settlements**A Processing Settlements**

County Offices shall:

- organize their work so that settlements are processed promptly when delivery of the commodity is completed
- process settlements in APSS according to 12-PS
- close out the producer's loan promptly by paying amounts due or collecting any deficiencies.

***--Note:** Warehouse purchases from KCCO for farm-stored deliveries are **no** longer authorized.--*

B 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.

C 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 KCCO copy of CCC-691
- provide a copy to the producer.

Section 3 Local Sales

856 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 authorized 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 loans where it is not cost effective to pay excess haul.

***--Notes:** See Exhibit 11, pages 4 and 5 for table of applicable actions for recourse and distress loans.

For recourse loans open after maturity, do **not** issue CCC-691.--*

856 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.

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 shall on the 31st day **after** CCC-691 expiration, or extended expiration date, notify the producer using the letter in--* subparagraph C, that:

- CCC may, to the extent permitted by law, repossess the collateral by:
 - entering the premises
 - removing the entire loan quantity

Note: CED shall 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 11, 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.

The producer’s signature is **not** required.

B Recourse Loans

Farm-stored recourse loan foreclosure shall be handled as a local sale, according to *--Section 3, on the 31st calendar day after the date of the demand letter. See Exhibit 11, subparagraph A, “recourse loan” and “distress loan”.--*

The producer shall bear all expenses incurred for the sale.

866 Foreclosures (Continued)

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.

Note: County Office shall notify the producer of all the applicable appeal options available as determined by the decision-making authority.

(Date)

Dear *(name)*:

This concerns *(year)* crop *(commodity)* loan which matured on *(date)*. You have not liquidated this loan by repayment or delivery of the collateral as instructed in our letter to you dated *(date of 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.

Please contact this office immediately for the current repayment amount.

If we do not hear from you within 15 calendar days of the date of this letter, a receivable will be established and you will owe the debt to CCC.

Sincerely,

County Executive Director,
_____ County FSA Office

Part 9 Warehouse-Stored Loan Forfeitures

900 Loan Forfeitures

A When to Process Forfeiture

Complete warehouse-stored loan forfeitures when producers do not repay warehouse-stored loans by the loan maturity date according to PS directives and 12-PS, applying premiums and discounts.

County Offices **must** immediately:

- before processing loan or forfeitures in APPS, contact the storing warehouse operator to obtain applicable storage or public tariff rates for Federally licensed warehouses and for warehouses in States listed in subparagraph 536 B
 - process storage deductions, if applicable, using the offer shipping rate table for UGRSA warehouses in States listed in subparagraph 536 C; updated warehouse offer shipping rates for States listed in subparagraph 536 C are available at http://erielake.sc.egov.usda.gov/whserates/grain/warehouse_rates.asp
 - process loan reversal in APSS according to PS directives and 12-PS
 - reenter loan applying premiums, discounts, and other applicable charges according to PS directives and 12-PS
- *--Note:** Apply premiums, discounts, and other applicable charges to the loan rate that was reduced for ACRE-elected farms.--*
- process warehouse-stored loan forfeiture on the first day **after** the loan maturity date
 - follow Exhibit 11, subparagraph A, “warehouse nonrecourse loan” to establish a receivable in NRRS, if an amount is due CCC
 - mail the forfeited warehouse receipt to KCCO on the same day transmittal control documents are generated according to subparagraph 901 A.

Note: For EWR’s, select “Release Code/Reason”, “**9-Forfeiture**” to transfer EWR to KCCO.

B Verifying Documents

Before processing the forfeiture in APSS according to 12-PS, County Offices shall:

- review the loan documents, each warehouse receipt, and if applicable, KC-350 (Grain) or KC-350 (Oilseed) for data accuracy

Note: If the review of loan documents and warehouse receipts reveals an overdisbursement of the loan, handle according to paragraph 31.

900 Loan Forfeitures (Continued)

B Verifying Documents (Continued)

- ensure that warehouse receipts:
 - issued to the producer have been endorsed by the producer
 - contain proper authorized warehouse code and crop year
- verify weights, bu, 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 C.

The quantity eligible for forfeiture to CCC under a warehouse-stored loan is limited to the loan quantity specified on the warehouse receipt.

C 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, APSS should 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: <ul style="list-style-type: none"> • 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.
storage charges through the maturity date were not paid or provided for at loanmaking	<ul style="list-style-type: none"> • create a receivable through NRRS • process new loan adjusting loan rate.

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 eLDP web site by the County Office or producer

Note: LDP's can be processed through APSS **only** with authorization from PSD.

- will be issued by EFT or check, as applicable, subject to assignment
- are subject to administrative offset according to 58-FI
- shall be subject to AGI requirements

Note: CCC-926 is **required** after CCC-633 EZ is filed. See current payment limitation policy for additional information.

- **must** be approved when all eligibility requirements are met
- **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 commodity 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

1000 Basic Provisions (Continued)**B General Provisions (Continued)**

- are subject to the 30 percent loan rate deduction when calculating the LDP rate for commodities produced from an ACRE-elected farm

***--Notes:** The base loan rate **must** be reduced by 30 percent **before** applying PCP for any commodity produced on an ACRE-elected farm.

Currently in the eLDP software, there is **not** a report available to determine if County Offices are accurately indicating if the quantity for LDP is from an ACRE-elected farm.--*

- exceeding \$100,000 requires the applicant to comply with lobbying disclosure requirements (paragraph 28).

Lien searches and lien waivers are **not** required.

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 Storage Requirements

[7 CFR 1421.200] Approved storage requirements are waived for LDP's.

E LDP Numbers

LDP numbers will be assigned by both APSS and the Web. The number assigned by eLDP will be provided from an external site for eLDP's processed by both County Offices and producers.

F Filing LDP's

LDP's shall 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 H for an example of a County Office checklist for determining eligibility and processing an LDP request.

G LDP Amount Reported to IRS

LDP amounts are reported to IRS; however, LDP's made to CMA's are **not** reported to IRS.

1003 FAXed CCC-633 EZ's (Continued)

C Signatures

Followup original copies and signatures are **not** required for FAXed CCC-633 EZ's.

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 shall:

- 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 through sale, feeding to livestock, or delivery to an unauthorized warehouse, livestock feeder, processor, ethanol or bio diesel plant, or wool pool.

For commodities immediately fed during harvest, see subparagraph F.

B Determining LDP Rates for Non-ACRE-Elected Farms

LDP rates are determined by the amount the applicable commodity loan rate exceeds the CCC-determined value for 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 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 Determine LDP Rates for ACRE-Elected Farms

--The LDP rate for commodities produced on ACRE-elected farms must include the-- 30 percent reduction from the loan rate **before** determining the LDP rate. Use LDP rate in effect until the next posting of the repayment/LDP rates.

***--Example:** Use the LDP rate announced on Friday, applicable to commodities produced on ACRE-elected farms, for ACRE-elected farm commodities delivered on a Saturday, Sunday, or Monday Federal holiday.--*

Section 2 Commodities Harvested as Other Than Grain**1020 Eligibility for LDP****A Eligible Harvested as Other Than Grain Commodities**

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 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 for ACRE and Non-ACRE-Elected Farms**

Use the LDP rate applicable to the date of:

- request
- delivery
- harvest for commodities fed during harvest
- loss of beneficial interest, **only** if CCC-633EZ, Page 1, was filed timely.

The LDP rate for commodities produced on ACRE-elected farms is determined by reducing the loan rate by 30 percent **before** calculating the LDP rate. In a case of commodities harvested as other than grain, the loan rate is reduced for both ACRE and commodities harvested as other than grain adjustments, **before** calculating the LDP rate. LDP rates **cannot** be less than zero.

The following table illustrates how the LDP rate for a commodity harvested as other than grain is computed for ACRE-elected and non-ACRE-elected farms when the CCC-determined value is \$1.20.

Determining Commodity Other Than Grain LDP Rate			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	ACRE Reduction: 30 Percent of Loan Rate (.30 x Line 1)	\$1.80	N/A
3	Effective Loan Rate: Adjusted for ACRE (Line 1 – Line 2)	\$4.20	\$6.00
4	Loan Rate for Commodities Other Than Grain: 30 Percent of Loan Rate, according to subparagraph 520 D (.30 x Line 3)	\$1.26	\$1.80
5	CCC-Determined Value of Commodity	\$1.20	\$1.20
6	LDP Rate for Commodities Other Than Grain (Line 4 - Line 5)	\$0.06	\$0.60

--*

1020 Eligibility for LDP (Continued)

*--E LDP Rate for ACRE and Non-ACRE-Elected Farms (Continued)

The following table illustrates how the LDP rate for a commodity harvested as other than grain is computed for ACRE-elected and non-ACRE-elected farms when the CCC-determined value is \$3.07.

Determining Commodity Other Than Grain LDP Rate			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	ACRE Reduction: 30 Percent of Loan Rate (.30 x Line 1)	\$1.80	N/A
3	Effective Loan Rate: Adjusted for ACRE (Line 1 – Line 2)	\$4.20	\$6.00
4	Loan Rate for Commodities Other Than Grain: 30 Percent of Loan Rate, according to subparagraph 520 D (.30 x Line 3)	\$1.26	\$1.80
5	CCC-Determined Value of Commodity	\$3.07	\$3.07
6	LDP Rate for Commodities Other Than Grain (Line 4 - Line 5)	\$0.00	\$0.00

--*

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 handbook 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.

*--LDP rate for commodities produced on ACRE-elected farms is determined by reducing the loan rate by 30 percent **before** calculating the LDP rate. In a case of low quality commodities, the loan rate is reduced for both ACRE and low quality adjustments **before** calculating the LDP rate. LDP rates **cannot** be less than zero.

The following table illustrates how the LDP rate for a low quality commodity is computed for ACRE-elected and non-ACRE-elected farms when the CCC-determined value is \$0.80.

Determining Low Quality Commodity LDP Rate			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	ACRE: 30 Percent of Loan Rate (.30 x Line 1)	\$1.80	N/A
3	Effective Loan Rate: Adjusted for ACRE (Line 1 – Line 2)	\$4.20	\$6.00
4	Loan Rate for Low Quality Commodities: 20 Percent of Loan Rate, according to subparagraph 520 F (.20 x Line 3)	\$0.84	\$1.20
5	CCC-Determined Value of Commodity	\$0.80	\$0.80
6	LDP Rate for Low Quality Commodities (Line 4 – Line 5)	\$0.04	\$0.40

--*

1030 Eligibility for LDP (Continued)

C LDP Rate (Continued)

*--The following table illustrates how the LDP rate for a low quality commodity is computed for ACRE-elected and non-ACRE-elected farms when the CCC-determined value is \$3.07.

Determining LDP Rates for Low Quality Commodities			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	ACRE: 30 Percent of Loan Rate (.30 x Line 1)	\$1.80	N/A
3	Effective Loan Rate: Adjusted for ACRE (Line 1 – Line 2)	\$4.20	\$6.00
4	Loan Rate for Low Quality Commodities: 20 Percent of Loan Rate, according to subparagraph 520 F (.20 x Line 3)	\$0.84	\$1.20
5	CCC-Determined Value of Commodity	\$3.07	\$3.07
6	LDP Rate for Low Quality Commodities (Line 4 – Line 5)	\$0.00	\$0.00

--*

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. 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.

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.

1040 Eligibility for LDP (Continued)

D LDP Rate (Continued)

*--The LDP rate for commodities produced on ACRE-elected farms is determined by reducing the loan rate by 30 percent **before** calculating the LDP rate. In a case of contaminated commodities, the loan rate is reduced for both ACRE and contaminated commodity adjustments **before** calculating the LDP rate. LDP rates cannot be less than zero.

The following table illustrates how the LDP rate for a contaminated commodity is computed for ACRE-elected and non-ACRE-elected farms when the CCC-determined value is \$0.40

Determining Contaminated Commodity LDP Rate			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	ACRE: 30 Percent of Loan Rate (.30 x Line 1)	\$1.80	N/A
3	Effective Loan Rate: Adjusted for ACRE (Line 1 – Line 2)	\$4.20	\$6.00
4	Loan Rate for Contaminated Commodities: 10 Percent of Loan Rate, according to subparagraph 520 E (.10 x Line 3)	\$0.42	\$0.60
5	CCC-Determined Value of Commodity	\$0.40	\$0.40
6	LDP Rate for Contaminated Commodities (Line 4 – Line 5)	\$0.02	\$0.20

The following table illustrates how the LDP rate for a contaminated commodity is computed for ACRE-elected and non-ACRE-elected farms when the CCC-determined value is \$3.07.

Determining Contaminated Commodity LDP Rate			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.00	\$6.00
2	ACRE Reduction: 30 Percent of Loan Rate (.30 x Line 1)	\$1.80	N/A
3	Effective Loan Rate: Adjusted for ACRE (Line 1 – Line 2)	\$4.20	\$6.00
4	Loan Rate for Contaminated Commodities: 10 Percent of Loan Rate, according to subparagraph 520 E (.10 x Line 3)	\$0.42	\$0.60
5	CCC-Determined Value of Commodity	\$3.07	\$3.07
6	LDP Rate for Contaminated Commodities (Line 4 – Line 5)	\$0.00	\$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)

1103 Filing CCC-633 GRAZING's

A Requesting Graze-Out Payments

Producers must request graze-out payments by FSN on CCC-633 GRAZING.

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.

Eligible producers 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.--*

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.

B Producer Certification

Eligible producers must file CCC-633 GRAZING for acres grazed or to be grazed. In addition, acreage and intended use **must** be certified on FSA-578 as "grazing".

If the intended use was reported as grain, but was actually grazed, County Offices shall note the actual use on the hard copy FSA-578 in the normal manner.

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.

Graze-out payments are subject to ACRE provisions and will be handled like LDP's.

Producers who elected to participate in the ACRE program will have the applicable *-commodity loan rate for graze-out reduced by 30 percent for that farm **before** calculating the LDP rate. See the following table for an example.--*

The effective ACRE payment rates are posted by State and County Offices at www.fsa.usda.gov/FSA/displayLDPRates?area=home&subject=prsu&topic=ldp-ldp. After the "State", "County", and "Crop Year" is selected, CLICK "**Submit**". The rates will be displayed in the column titled, "Effective ACRE 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
- all applicable 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 for ACRE-elected and non-ACRE-elected farms.

Determining Graze-Out Payment Rate			
Line	Description	ACRE	Non-ACRE
1	Loan Rate (County Rate for Durum Wheat)	\$6.04	\$6.04
2	ACRE: 30% of Rate Adjusted for Quality (.30 x Line 1)	\$1.81	\$0.00
3	Effective Loan Rate: Adjusted for ACRE (Line 1 – Line 2)	\$4.23	\$6.04
4	CCC-Determined Value of the Commodity	\$3.07	\$3.07
5	Graze-Out Rate (Line 3 – Line 4)	\$1.16	\$2.97

1104 Payment Rate and Calculations (Continued)**B Applicable Yield**

For graze-out, the yields shall be determined as follows:

- the payment yield shall be the yield in effect for calculating the direct payment yield under DCP according to 7 CFR Part 1412
- in the event the previous option is not available, the applicant may submit actual production harvested as grain on the same farm or another farm of the applicant in the same area
- if neither of the previous 2 options is available, COC may establish a yield based on their judgment and knowledge of practices and growing conditions in the county with documentation supporting the COC established yield, which **must** be included in the COC minutes.

Note: The option of using 3 similar farms is **no** longer allowed.

For triticale, the payment yield shall be based on the predominant class of wheat according to the options in this subparagraph.

C Payment

Calculate the graze-out payment by multiplying the actual grazed acreage requested for grazing times the applicable yield times the payment rate.

Examples: Using the graze-out rate from the table in subparagraph A, for a:

- non-ACRE-elected farm: 40 acres grazed x 50 bu/acre x \$2.97 graze-out rate = \$5,940 graze-out payment
- ACRE-elected farm: 40 acres grazed x 50 bu/acre x \$1.16 graze-out rate = \$2,320 graze-out payment.

*--After the payment is calculated and reviewed by a second party, State Offices shall send an e-mail to DeAnn Allen, PSD, at deann.allen@wdc.usda.gov, identifying the county and amount of funding needed to process CCC-633 GRAZING.

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 allocate the eFunds.--*

Part 15 Mohair, Unshorn Pelt, and Wool Provisions**1500 General Information****A Purpose**

This Part provides general instructions for administering loans and LDP's for the following commodities:

- mohair

***--Notes:** Effective April 14, 2011, the Department of Defense and Full Year Continuing Appropriations Act of 2011 suspended mohair MAL's and LDP's for the remainder of FY 2011.

This note is applicable throughout Part 15.--*

- unshorn pelts
- wool
 - graded
 - ungraded.

Use this Part with the existing policy in this handbook, as applicable.

B Applicable Crop Years

The legislative source of authority in subparagraph 1 B authorizes nonrecourse MAL's and LDP's for mohair, unshorn pelts, and wool be made available to eligible producers from the 2008 through the 2012 crop years.

C Loan and LDP Common General Provisions References

Except as otherwise noted in this Part, general MAL and LDP policies and requirements not specifically mentioned in this Part remain in effect according to provisions in this handbook.

1501-1504 (Reserved)

1552 Spot Check Process (Continued)

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

IF the mohair or wool...	THEN...
has been previously spot checked and the producer requests to use the spot checked quantity for production evidence	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: <ul style="list-style-type: none"> • 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. Determine maximum eligible quantity if necessary.

Note: If unshorn lambs have been slaughtered for personal use in the case of unshorn pelts, request production evidence to the satisfaction of COC to verify the quantity of certified LDP's. Acceptable evidence includes, but is not limited to, feed records/receipts, normal business practices, and general COC knowledge.

Require the producer to submit evidence on mohair or wool sold within 15 calendar days
 --from date of request and indicate the use of unshorn pelts.--

1553 On-Farm Visits

A When to Complete On-Site Visits

Complete on-site visits if the mohair or wool is still stored at the farm-storage location for:

- outstanding loans
- * * *
- certified LDP's.

Note: If the mohair or wool is stored at the facility of a commissioned agent, proceed according to subparagraph 1551 C, and no visit is necessary. Commissioned agents may also be contacted by telephone to verify quantities.

B Spot Check Process

At the storage site, commodity inspectors shall complete the spot check by visually inspecting the farm-stored quantities and performing maximum eligibility determinations for all loans and LDP's selected by the national selection process according to the following.

Note: Measurement service is not available.

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 for loans.	If applicable, replace CCC-683 if missing or incorrect loan data is shown. See Exhibit 16.
2	Inspect storage structure and determine commodity storability.	Annotate any structure, storability, or other noticeable problems on reverse side of applicable LDP request form.
3	Visually inspect all applicable structures that can be safely accessed, if not stored with a commissioned agent.	Complete the "Additional Information" section of applicable LDP request form with required information according to subparagraph 1551 B for LDP's and subparagraph 1550 D for loans.

C Reducing On-Farm Visits for LDP's

Excluding any references to providing measurement services to producers, County Offices *--shall reduce on-farm visits for LDP's according to subparagraph 319 B.--*

Reports, Forms, Abbreviations, and Delegations 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 (HELIC) and Wetland Conservation (WC) Certification		35, 200
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents	502	521, 617
CCC-25	Uniform Grain and Rice Storage Agreement (UGRSA)		318, 702, 771
CCC-39	Request for Issuance of Duplicate Warehouse Receipt(s)	549	
CCC-156	Loading Order, Trust Order and Invoice for Charges		816
CCC-257	Schedule of Deposit		318, 702, 771
CCC-258	Wire Transfer of Funds	720	
CCC-491	Beneficial Interest Certification Sheet	228	
CCC-500	Loan Payment Receipt	700	416, 718-720
CCC-500-1	Loan Payment Receipt Continuation Sheet		700
CCC-502	Farm Operating Plan for Payment Eligibility Review		32, 35, 200
CCC-526	2008 Payment Eligibility Average Adjusted Gross Income Certification		32, 35, 200

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-601	Commodity Credit Corporation Note and Security Agreement Terms and Conditions	Ex. 5	10, 410, 510
CCC-631	CCC Wool Testing Facility Certification and Application	1510	1509
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
CCC-633 GRAZING	Grazing Payment Program Application	1105	1102-1104
CCC-633WM	Wool and Mohair Loan Quantity Certification and Worksheet	1527	234
CCC-638	Confirmation of Sale	860	857
CCC-639	Competitive Bid Pricing Worksheet	859	858, 860
CCC-643	Request for Shipping Instructions	806	804
CCC-665	Agreement to Permit Assumption of a CCC Loan	527	600
CCC-666	Commodity Loan Request	524	Text
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	505	30, 504, 510, 547, 607, 754
CCC-681	Authorization to Move Loan Collateral for Rotation or Transfer	614	613, 615, 619
CCC-681-1	Authorization for Delivery of Loan Collateral for Sale	743	Text
CCC-681-1 A	CCC-681-1 Continuation Sheet	743	
CCC-683	Commodity Loan Seal	Ex. 16	316, 523, 524
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

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-687-1	Approval to Commingle or Move Loan Collateral	600	317, 526
CCC-691	Commodity Delivery Notice	801, 816, 817	Text
CCC-692	Settlement Statement		822, 862
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 LDP/eLDP	Loan Deficiency Payment (LDP) and eLDP Program Review Checklist	23	234
CCC-770 MAL	Marketing Assistance Loan (MAL) Processing Checklist	23	234, 501, 510
CCC-902	Farm Operating Plan		35, 200, 203
CCC-926	Average Adjusted Gross Income (AGI) Statement		35, 200, 1000
CCC-930	AMS Inspection Certificate of Quality Factors for Wool and Mohair	1575	
CCC-1099-A	Report of Loan, Forfeiture, Settlement, and Abandonment to Producer		27
CCC-1099-A-2	Important Information About IRS Form 1099-A		27
CCC-1099-G	Report Payments to Producers (Reported to IRS)		27
CCC-1099-MISC	20XX Miscellaneous Income		27
FSA-211	Power of Attorney		227, 770
FSA-321	Finality Rule and Misaction/Misinformation		318
FSA-409	Measurement Service Record		500, 524, 1002, 1005, 1008
FSA-578	Report of Acreage		201, 336, 501, 1102, 1103, 1105

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
KC-232	Notice of Approval or Change in Status of Storage Agreement or Contract	40	542
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		537
SF-LLL	Disclosure of Lobbying Activities	28	
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet	28	
UCC-1	Financing Statement		502, 504, 521, 524
UCC-1F	Effective Financing Statement		524
WA-302	Examination Report		544

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
F.O.B.	freight on board	228, 858, 859, 860, 862
HM	high moisture	225, 524, 1005, 1050, 1200, 1210, 1211, 1215, Ex. 2, 15
MB	Merchandising Branch	40, 605, 817, 826, 901
PCP	posted county price	3, 235, 720, 785, 786
PD	Procurement Division	41, 605, 817, 826, 901
RCP	regionally calculated price	235, 785, 786
SCB	Storage Commodities Branch	537, 800
SORS	State Office Reporting System	3, 37, 40
USWA	U.S. Warehouse Act	3, 522, 535, Ex, 2
WLED	Warehouse Licensing and Examination Division	40, 537, 800

Re delegations of Authority

Redelegation of authority is provided in paragraph 2.

Definitions of Terms Used in This Handbook**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:

- calling 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
- assessing interest on storage payment refunds, if applicable.

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)

Authorized Commodities

Authorized commodities mean the following:

- barley
- corn
- grain sorghum, including dual purpose sorghum varieties as determined by CCC.
- honey
- mohair

*--**Note:** Suspended for FY 2011 mohair MAL's and LDP's, effective April 14, 2011.--*

- oats
- oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower seed, sesame seed, soybeans, and sunflower seeds
- 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 520).

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

Authorized Warehouse Storage

Authorized warehouse storage means warehouses that are 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 with an operating warehoused licensing program and have entered into UGRSA with CCC.

Definitions of Terms Used in This Handbook (Continued)**Buyer**

Buyer means the warehouse operator, broker, agent, or other person or entity the producer designates for issuing CCC-681-1.

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.--*

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.

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.

Customary Delivery Point

Customary delivery point means the shipping point, location, or warehouse (elevator), as determined by the County Office, where the producer would normally deliver the commodities if sold on the market.

Note: This does **not** apply to producer's farm or sales to neighbors, as applicable.

Deficiency

Deficiency means the amount owed CCC when the settlement value of a farm-stored loan is less than the outstanding loan value.

Definitions of Terms Used in This Handbook (Continued)

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.

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.

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
- payment limitation will be exceeded.

Definitions of Terms Used in This Handbook (Continued)**Market Gain**

Market gain means the difference between the loan principal amount and CCC-determined value.

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.

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.--

Definitions of Terms Used in This Handbook (Continued)**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.

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.

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)**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.

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.

Definitions of Terms Used in This Handbook (Continued)**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.

Unapproved/Unlicensed Warehouses

Unapproved/unlicensed warehouses mean warehouses that are not CCC-approved or 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 any loan quantity pledged as collateral for a farm-stored loan without prior written authorization from COC and 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.

Example Letters (Continued)

B 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

(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 **(maturity date)**.

You may repay the loan on or before the maturity date.

After the maturity date, title to the unredeemed collateral shall be transferred to CCC upon demand and the commodity shall be delivered 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 proceeding will begin
- receivable will be established and you will receive demand notification for the amount due.

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 actions 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 an 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.

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

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Example Letters (Continued)

**B Farm-Stored Nonrecourse Loan 45-Calendar-Day Maturity Notification Letter
(Continued)**

Before mailing notification letter 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):

1. REPAY WITH CASH.
2. FORFEIT THE ELIGIBLE COMMODITY TO CCC

* * *

_____	_____
(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)

C Warehouse-Stored Nonrecourse Loan Maturity 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)**:

This is to notify you that your **(crop year, commodity)** warehouse –stored loan **(loan number)** will mature **(maturity date)**.

You may repay the loan on or before the maturity date.

The only option available after the maturity date is to forfeit the warehouse receipts for the 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.

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 and Employer

Example Letters (Continued)

C Warehouse-Stored Nonrecourse Loan Maturity Letter (Continued)

Before mailing notification letter 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):

1. REPAY WITH CASH.
2. FORFEIT THE ELIGIBLE COMMODITY TO CCC

* * *

_____	_____
(Producer's Signature)	(Date)

Please return this intention by (maturity date).

Mail to: (County Name) County FSA Office
(Mailing Address)
(City, State, ZIP Code)

***--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.

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 2011 crop year MAL's and LDP's.

- **Category I** - Non-Tannin Sorghum for grain or silage/hay **is eligible** regardless of parentage or grain yield.
- **Category II** - Tannin Sorghum for grain or silage/hay **is eligible** regardless of parentage or grain yield, but if harvested, grain **must** be identity-preserved and reported.
- **Category III** - Tannin Sorghum used for pasture **is not eligible** for LDP's or any programs.

B Assigning Yield Guidelines

COC's shall 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.

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.--*

***--Eligible Grain Sorghum Varieties (Continued)**

C Methods for Assigning the Yield

COC's shall 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 paragraph 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 shall **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.

D 2011 Crop Year Dual Purpose Grain Sorghum Varieties With 100 Percent Yield Potential

The dual purpose grain sorghum varieties listed in the following table have yield potential equal to 100 percent of hybrid varieties. County Offices shall:

- 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.

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Advanta US 26837	Ag Venture FS111D Silo Milo	Alert Agri Distributors 103 BMR	Arrow Seed Co., Inc. Beefmaster BMR Canex BMR 310 Pheasant Acres Silo Mor Silo+Plus BMR Silobuster

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*--Eligible Grain Sorghum Varieties (Continued)

**D 2011 Crop Year Dual Purpose Grain Sorghum Varieties With 100 Percent Yield Potential
(Continued)**

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Asgrow Seed BBT	AVA Seeds AVA 7100 AVA 7102 AVA 7102A AVA 7103 AVA 7103A AVA 7105 AVA 7110 AVA 7111	Barkley Seed Grass Roots 90HS	Boomerange BMR 6 Silage Master DP1 Silage Master BMR
Byrons Seed Silage Supreme	Channel Bio Corp SugarGold	Crosbyton Seed Company GW 3072 F GW 8528 F BMR GW 9530 GWX3023FBMR Silo-N-Feed	Curtis & Curtis Triple Gainer 31 BMR
Dakota's Best Seed Pheasant Acres Ringneck Roost Sweet Chop BMR	Dodge City Coop Sweet Feed BMR 802	Drussel Seed and Supply DSS Dividend BMR	Eastern Colorado HP 101 BMR
Fontanelle Hybrids F-310 F-310C F-315 F-315C F320SS	Forage First HT-555 HY-Grow 77 HT-110 106 BMR 5909	Frontier Hybrids Garst 320 Silmaker 5500 Silmaker 5700 Silmaker 6000 Silmaker 6500 Silmaker 7000	Garrison & Townsend BMR-100 BMR-101 Sile-ALL Silo-Milo Sweet T
Garst Seed Co. 320 320F 325 331-X 333 344 BMR 344F 1020F Ex Chpr X Hi-Energy II N-322-X N-340X R 332 x	Golden Acres Genetics, LLC FS466 Ton-A-Milk	Golden Harvest J C Robinson Seed Si-Gro H-44 Si-Gro H-45 Si-Gro H-46	Hawkeye Seeds HFS 1770

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*--Eligible Grain Sorghum Varieties (Continued)

**D 2011 Crop Year Dual Purpose Grain Sorghum Varieties With 100 Percent Yield Potential
(Continued)**

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Helena Chemical Forager BMR	Hoegemeyer Hybrids 591F 602F BMR 1	Hytest Seeds HT 110 HT 110 BMR HT 111 HT 555 HY-Grow 77	Kaystar Seed Forari IV
Kelly Green Seeds, Inc. Silamaster Silamax BMR	Kings Agri Seed Silage Supreme	Land O Lakes Croplan Hikane II Croplan NK300 Forage First DKS59-09	Legend Seed Company LFS-501
MMR Genetics MMR 304/24 MMR 381/73 73366X 105392X	Mycogen Seeds 1F700BMR	NC+ Hybrids NC+ 965 Nutri-Choice Nutri-Choice II Nutri-Ton Nutri-Ton II	Ohlde Seed O-114
Patriot Seed, Inc. BMR-101	PGS Hybrids Silage Maker Sweet Diary BMR Sweet Ensile BMR	Phillips Seed BMR 61 BMR 1000 Silo Fil Sweet Sil	Producers Hybrids Chaps Chaps II HF 346 BMR Rodeo
Production Plus Silobuster Silobuster S Silo Plus BMR	Purdue University PU 8165X	Richardson Seed, Inc. CW7700 Dairy Master BMR Eversweet Silo 600D Silo 700D Silomaster Silomaster D Sweet R X50701 X50711 X50714	Roth Seed Company Rocky Top BMR Hi-Low
Scott Seed BMR Gold 100 Great Scott BMR	Seed Exchange Pheasant-Hunt-Red	Seed Resource, Inc. BMR 100 BMR 106 Fame FS 515 HQ	Sharp Brothers Seed Co. Canex BMR 208 Canex BMR 310 Canex BMR 328
Sorghum Partners HiKane II KF 429 NK 300	Star Seed, Inc. SF3373 Silo Plus Silo Plus BMR Star Elite BMR	Taylor Seed Green Valley 1 BMR	Triumph Seed Company, Inc. Super Sile 20 Super Sile 22 Super Sile 30 Super Sile SH26

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***--Eligible Grain Sorghum Varieties (Continued)**

D 2011 Crop Year Dual Purpose Grain Sorghum Varieties With 100 Percent Yield Potential (Continued)

Company/Variety	Company/Variety	Company/Variety	Company/Variety
UAP Seed	United Agri Products	Valley Feed and Seed	Walter Moss Seed Co.
Dixie Lee	Dyna-Gro DG 710F	Udder Buster BMR Udder Max	Millenium BMR
Warner Seed Inc.	Watley Seed Company	Wilbers Seed Solutions	
2-Way 2-Way BMR 2-Way F-103 2-Way F-104 2-Way F-105 2-Way F-145 2-Way SRS Husky	BMR 6150	Sweet-N-Low	

Note: This list will be supplemented with additional varieties based upon field trials conducted by the National Grain Sorghum Producers Association.

E 2011 Crop Year Dual Purpose Grain Sorghum Varieties With 80 Percent Yield Potential

The dual purpose grain sorghum varieties listed in the following have yield potential equal to 80 percent of hybrid varieties. County Offices shall:

- 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 80 percent of the grain yield using the methods in subparagraph C.

State Offices shall consult with PSD to make determinations of dual purpose varieties eligible at the 80 percent level that are not included in the following table, based on information received from seed companies. If more information is needed to make a determination, contact the National Institute of Food and Agriculture or universities, as applicable.

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Advanta US	AgriBioTech, Inc.	Arkansas Valley Seed Solutions	AR-B Seed
23419	BMR-100 FS-555	Honey Sweet BMR	AS781

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*--Eligible Grain Sorghum Varieties (Continued)

**E 2011 Crop Year Dual Purpose Grain Sorghum Varieties With 80 Percent Yield Potential
(Continued)**

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Arrow Seed Co., Inc. 1 st Choice BMR	Asgrow Seed Beefbuilder T Titan R	AVA Seeds AVA 7000 AVA 7109 FT AVA 7120 ST	Barkley Seed Grass Roots 5150
Boomerange Silage Master MS BMR Silage Master ST BMR	Browning Seed, Inc. Silage Master	Byrons Seed Silage Supreme MS BMR	Casterline & Sons Seed Duro Silo Plus
Coop Seed, Inc. SSF-550 SSF630 SSF660	Crosbyton Seed Company GW 8228 BMR GW 9110F GWX 3172F	Dakota's Best Seed Bundle & Chop Early Sumac Grace N Honey BMR Mega Ton Waconia	Delta and Pine Land Co. 102F
Douglass King Co. K-100	Drussel Seed and Supply DSS 73862 FS120199	DynaGro Seed 712F DG 710F	Eagle Seed Genetics Digest BMR
Eastern Colorado EX HP08DW HP BMRDW HP120BMRDW HP95BMR Kane N Honey BMR	Fontanelle Hybrids F292BMR	Forage First 90 BMR 105 BMR BMR 108 FS-5	
Garrison & Townsend 24213 24219 27681 991005 991005 BMR 991021 992003 BMR BMR Exp 2201 BMR Exp 2202 SG BMR 80 Silo Milo +	Garst Seed Co. 311 318 348BMR EX 2211 EXP 2211X N318-X T-E Milk-A-Lot	Gayland Ward Seed Co., Inc. Ensile Master	Giant Seed Company Classic Hay One BMR Razin Feed Razin Kane Razin Kane GM Razin Silage
Golden Acres Genetics, LLC T-E Greenchopper T-E Milk-A-Lot T-E Milkmaker T T-E Silomaker	Golden Harvest J C Robinson Seed EX 47 Si-Gro H-47	Greenbush Seed & Supply Chop-N-Milo Hygrachop	

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*--Eligible Grain Sorghum Varieties (Continued)

**E 2011 Crop Year Dual Purpose Grain Sorghum Varieties With 80 Percent Yield Potential
(Continued)**

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Hawkeye Hybrids SS1740	Hoegemeyer Hybrids 691 F 692 F Bale All BMR F Bale-All III	Hyttest Seeds HT 90 BMR HT 105 BMR	Kelly Green Seeds, Inc. 2-Way F-190 BMR
Kings Agri Seed Silage Supreme MS BMR	Land O Lakes Croplan Silo-Plus Croplan Silo-Plus BMR Croplan Sucrosorgo 405 Forage First FS-5	Legend Seed Company LFS 601	Mallard Seed Company Mallard Rine AAA
Midland Genetics Dual Sil Silo-Fill II	MMR Genetics MMR327M/438BMRxMMR MMR 366/23 BMR MMR 366/35 BMR MMR 392/88 88366X 88392X 110381X	Mycogen Seeds 1F-700 T-E Milk-A-Lot	NC + Hybrids NC+BMR77F X718228F X X825528F X
Ohlde-Midwest Seed Genetics 110D 111F 112F Daisy Su Evergreen Sugar Cane	Ottilie Seed RO 219	Pennington Seeds Penn 02 BMR	Phillips Seed BMR 60D BMR 64 BMR 4001 Sweet-Bal W/P Top Notch BMR
Pioneer Hi Bred International 819F 81T91 838F 839F 840F 841F 849F 84B52 931 947 956	Producers Hybrids Roper BMR	Production Plus MS505 DS BMR x Red Top Plus	Purdue University PU 8167 X PU 8168 X PU 8204 X PU 8206 X
Rainbow Seeds FS-45	Resource Seeds Sorgomax FS 403 Sorgomax FS 425	Richardson Seeds, Inc. Bundle King II Bundle King IV Sugar Red Sugar King Sweeter N Honey BMR	Roth Seed Company Chopper Stopper Chopper Stopper II Sugar Loaf Sugar Loaf II

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*--Eligible Grain Sorghum Varieties (Continued)

**E 2011 Crop Year Dual Purpose Grain Sorghum Varieties With 80 Percent Yield Potential
(Continued)**

Company/Variety	Company/Variety	Company/Variety	Company/Variety		
Scott Seed Co. BMR Gold BMR Gold 1 GS9 S. S. Silage	Seed Exchange Pheasant Hunt - White	Seed, Inc. 101F	Seed Resource, Inc. FS-555 FS-575		
Sharp Brothers Seed Canex BMR 248 Grazex BMR 750 Mixed Red	Sorghum Partners SS 405 SS 506 Sucrosorgo 405 X901 X905 X906 X907 X910 X911 X912 X913 X915 X916	Star Seed, Inc. Magnum LDP Magnum Ultra+BMR LDP	Syngenta Seeds 318 340BMR 350FS Si-Gro H-44		
Triumph Seed Company, Inc. SuperSile BMR42	UAP 727F	United Agri Products Dyna-Gro DG 727F	Valley Feed and Seed Supreme Chief BMR Sweet Kane Red Sweet Kane Red BMR		
Walter Moss Seed Co. F-17 M-1024-DPW	Warner Seed, Inc. Moo Chow W Red Top Kandy Sucrosse 6-R BMR Sweet Bee	Watley Seed Company BMR 6250	Wilbur-Ellis Co Integra F10175		
Miscellaneous Varieties/Company Unknown					
39-30-S	Colman	Improved Orange	Norkan	RP 30F	Waconia Amber
Amber	Dairy D	Kansas Orange	Rancher	RP 40F	Waconia Orange
Atlas	Early Sumac	Kansas Sourless	Red Amber	RS 301	White Amber
Atlas BMR	Ellis	Landsaver	Red Top	Sil-X	X-SDR6
Coes	Fremont	Leoti Red	Rox Orange	Sumac	
Collier	Hegari	McLean	Royal RS-301F	Tricker	

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***--Eligible Grain Sorghum Varieties (Continued)**

F 2011 Crop Year Sterile Grain Sorghum Varieties

Sterile varieties of grain sorghum are listed in the following table. 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 shall:

- 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
- notify the State Office of any varieties **not** listed in this table that may be sterile.

Company/Variety	Company/Variety	Company/Variety	Company/Variety
AgriBioTech, Inc. Brand Hybrid Forage Pik Nik II Sug-R-Cane	AR-B Seed AR-B Hay N Graze AR-B Sweet Choice BMR AR-B Sweet N Mor	Arrow Seed Co., Inc. Canex Canex II Red Top+Plus BMR Sweet N Red Sug-R-Bale	Asgrow Seed Titan MS
AVA Seeds AVA 7108ST AVA 7109ST	Browning Seed, Inc. Bundel King	Casterline & Sons Seeds Sucane	Coffey Forage Seed, Inc. AML 74-2 Centurian EXP 6810X MS 7445 MS 7469 MS 85 MSCA 27469
Crosbyton Seed Company Goldmaker GW 7828 F BMR GW 9530 F GW 9430 F Mor Bane II	Dakota's Best Seed Bundle & Chop Sterile Canex Cattleman's Supreme BMR	Dodge City Coop Value Plus with Pollinator	DynaGro Seed DG 727F ST
Eastern Colorado HP1010BMR HP1010BMRMS Kane N Honey	Fontanelle Hybrids F-300	Forage First Honey Kane	Frontier Hybrids Mucho Sweet

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*--Eligible Grain Sorghum Varieties (Continued)

F 2011 Crop Year Sterile Grain Sorghum Varieties (Continued)

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Garrison & Townsend 23402 Bale-All II Bale-All III	Gayland Ward Seed Co., Inc. GW 2120S GW-400BMR	Golden Acres Genetics, LLC T-E Goldmaker T-E Goldmaker - S T-E Goldmaker - T	Golden Harvest J C Robinson Seed Si-Gro H-1
Greenbush Seed & Supply Sweetall Sterile	Hoegemeyer Hybrids 612 F 613 F 625F	Hyttest Seeds Honey Kane	J.C. Robinson Seed Co., Inc. Si-Gro-H-1
Kelly Green Seeds, Inc. Lucky Leaf	MMR Genetics MMR 366/31 BMR MMR 366/36 BMR	Moews Seed Co. Moews Chop 1	Mycogen Seeds T-E Goldmaker T-E Goldmaker II
NC+ Hybrids NC 305 F Nutri-Cane II	Otilie Seed 210 A RO219A	Phillips Seed Sweet Bale	Production Plus Cane-Maker Cane-Maker II Red Top Plus Sweet-N-Red Ultra+Cane BMR
Richardson Seeds, Inc. Bundle King BMR	Roth Seed Company Cattle King Cattle King II Rocky Top	Scott Seed Co. BMR Gold X Sugar Cube	Seed, Inc. Big Crop 101FS
Seed Resource, Inc. Brand Hybrid Forage Pik Nik II Sugar-R-Cane Sweet-N-Tall	Sharp Brothers Seed Co. Canex Canex II Canex 50/50 Canex BMR 402 Canex BMRX402 Canex BMR 403 Canex BMRX403 Silex BMR 501 Silex BMR 502 Value Plus With Pollinator	Sorghum Partners X 909-NK	Star Seed, Inc. Magnum Surcane
United Agri Products Dyna-Gro DG 711F ST Dyna-Gro DG 727F ST	Valley Feed and Seed Kane King	Walter Moss Seed Co. F-18 BMR	Warner Seed, Inc. Sweet Bee Sterile Sweet Bee Sterile II
Wilbers Seed Solutions Sweet-N-Tall	Wilbur-Ellis Co. Integra F10165		
Miscellaneous Varieties/Company Unknown			
Crop Guard			

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***--Eligible Grain Sorghum Varieties (Continued)**

G 2011 Crop Year Photo-Period Sensitive

Photo-period sensitive varieties of grain sorghum are listed in the following table. Contact the State Office for assistance with establishing maximum eligible quantity if the crop was planted south of a line from El Paso to Abilene to Dallas (Interstate 20), Texas. 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 the line, assign a yield of zero. County Offices shall:

- 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
- notify the State Office of any varieties **not** listed in this table that may be photo-period sensitive.

Company/Variety	Company/Variety	Company/Variety
Delta and Pine Land Co. G-1990	Forage First Greentreat 128	Garrison & Townsend 22053 BMR
Gayland Ward Seed Co., Inc. GW-PS500	Hystest Seeds HT-311 HT-311 BMR PPS	Legend Seed Company LFS-801
MMR Genetics 336/70 BMR	Pioneer Hi Bred International 811 F	Richardson Seeds, Inc. Megagreen Pacesetter BMR X70400
Seed Resource, Inc. Green Graze Extra	Sorghum Partners 1990	Valley Feed and Seed Sweet Chief BMR PPS
Walter Moss Seed Co. 4-EverGreen 4-EverGreen BMR	Warner Seed, Inc. 2-Way 199PS Nutrigrreen BMR	

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***--Eligible Grain Sorghum Varieties (Continued)**

H 2011 Crop Year Ineligible Varieties

Ineligible grain sorghum, Category III varieties are listed in the following table.

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Ag Venture SS 88	AR-B Seed AR-B AS4530 AR-B Sweet II AR-B Sweet King Sweet King BMR	Arrow Seed Co., Inc. Energizer Energizer BMR Grazex BMR 727 Grazex II Hay N Graze Honey Graze BMR Honey Graze IV Honey Graze LS Nutri + BMR Sweet Sunny Sue	AVA Seeds 7080 BMR
Blue River Hybrids Black Hawk 12 Hawk 12 Hawk BMR	Boomerange BMR 6 DH	Browning Seed, Inc. Cadon 10/10 Cadon 10/50 Cadon 99B Exp Hybrid OOX Farmers Favor Hayzer Tridan Uron Brand	Byrons Seed Summer Supreme
Channel Bio Corp Sugar II BMR	Cropland Genetics Green treat +	Coffey Forage Seeds, Inc. Maxi Grain Sugar Graze 2000 Sugar Graze 3000 Sugar Graze II Sugar Graze III Sugar Graze Ultra Sugar Queen Sugar Queen III Sugar ST	Crosbyton Seed Company 2816 G BMR 7616 G BMR ST Graz-N-Gain Graz-N-Gain ST GW x 7181 G BMR GW x 7191 G BMR GW 7816 G BMR GW 9110 G
Curtis & Curtis, Inc. Wonder Graze	Dakota's Best Seed Cow Chew Cow Chew II Cow Chew BMR	DeLange Seed Hi Gain II	Dodge City Coop Grazer BMR 272 Sweet Kelly Sweet Kelly II Samson
Douglass King Co. Hay Day King 61 DR Sugar Sweet II Val-u-Graze	Drussel Seed and Supply Bonus DSS Bonus BMR DSS Bonus-R BMR	Dyna-Gro Seed Danny Boy BMR Dynagraze Dynagraze BMR 71F10	Eagle Seed Genetics Hemi BMR

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*--Eligible Grain Sorghum Varieties (Continued)

H 2011 Crop Year Ineligible Varieties (Continued)

Company/Variety	Company/Variety	Company/Variety	Company/Variety
East Texas Seed Company Green Graze Planter's Pride	Eastern Colorado HP 300 BMR	Forage First Greentreat Plus	Frontier Hybrids Champ BMR Champ I Champ II Nutri Plus BMR
Garrison & Townsend BMR-201 BMR-301 BMR-302 Gainer Graze All Graze All III Sugar Dan	Garst Seed Co. 750 BMR 753 BMR 753 BMR+ 757 EX 32007 Graze-N-Bale + N 765 BMR-X R 723 BMR-X Tastemaker III	Gayland Ward Seed Co., Inc. Super-Sugar Vita-Cane	Golden Acres Genetics, LLC FP-5 T-E Evergreen T-E Haygrazer T-E Haygrazer II
Golden Harvest J C Robinson Seed ReGro 34 RE-GRO EX 33 RE-GRO H-22B	Hoegemeyer Hybrids 650S Sugar Dan	Hyttest Seeds HT 211 BMR	Johnson Genetics Hidan 36 Millex 32 Sardan 79 Trudan 8 Trudan 10
Johnston Seed Company Sweet Grazin Triple Treat	Kelly Green Seeds, Inc. 4-FPS 4-Most 4-S 4-S BMR 4-X 4-XPS Lucky Su	Kings Agri Seed Summer Queen	Kirkland Seed Company Sweet Chow
Land O Lakes Croplan Drip-O-Honey Croplan Drip-O-Honey BMR Croplan Greentreat BMR Croplan Greentreat IV Croplan Greentreat-Plus Croplan Highland Sweet Plus Croplan Sordan 79 Croplan Sordan Headless Croplan Trudan 8 Croplan Trudan Headless Forage First SX-17	Legend Seed Company German LPM Preferred LSS 405 LSS 410 Manta	Mallard Seed Company Mallard SSG Mallard Sweet Miracle	McCormick Seed, Inc. Honey Sweet

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*--Eligible Grain Sorghum Varieties (Continued)

H 2011 Crop Year Ineligible Varieties (Continued)

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Midland Genetics Super Sioux Sweet Graz	Mission Ag Mission Magic	MMR Genetics 336/67 BMR MMR 366/82 MMR 327/38	Mycogen Seeds IF 655 TE Haygrazer
NC+ Hybrids NC+ 800HS NC+ BMR 44S NC+ BMR77F NC+ Sweetleaf II	Ottillie Seed Sorgox Sudangrass 666	PGS Hybrids Sweet Sorghum-Sudangrass Sweet Sorghum-Sudangrass BMR	Phillips Seed BMR 63 BMR 3001 Sweet Graz 55
Pioneer Hi Bred International 855F 877F 979	Producers Hybrids Lariat	Production Plus Dairymen's Dream Dry Stalk Dry Stalk BMR Go-Man-Go Hi-n-Dri Nutri Plus BMR Nutri Plus DS Nutri + Plus BMR Red Top Plus BMR Special Effect Special Effort Ster-M-Up Sweet Sunny Sue	Richardson Seeds, Inc. Honey Graze BMR Honey Graze IV Honey Pasture Pace setter Pacesetter Plus Piper Sweeter-n-Honey Tri Sweet X38400
Scott Seed Co. BMR 300 BMR Gold 200 BMR Gold 300 BMR Gold II BMR Gold III Honey Sweet Hay Preferred Stock Premium Stock Premium Stock LS Scott Grazer Sweet-N-Sterile	Seed, Inc. Big Crop Ribbon Grazer Big Crop Thrifty Grazer	Seed Resource, Inc. Att-A-Graze I Att-A-Graze II BMR-200 BMR-204 BMR-206 Cattle Grazer Dine a Mite Domor Forage King Green Graze Supreme Green Grazer V Green Pasture II MS 202 BMR PS-210 BMR S 222 S 333 SS 200 BMR Sugar Beef Sugar Beef III Sugar Beef IV Sugar Beef V Super Su 22 Xtra Sweet SS	Sharp Brothers Seed Co. Buffalo Brand Grazex II Grazex II W Grazex BMR 16 Grazex BMR 718 Grazex BMR 719 Grazex BMR 727 Grazex BMR 737 Grazex BMR 771 Grazex BMR 782

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***--Eligible Grain Sorghum Varieties (Continued)**

H 2011 Crop Year Ineligible Varieties (Continued)

Company/Variety	Company/Variety	Company/Variety	Company/Variety
Sorghum Partners Sordan 79 Sordan Headless Trudan BMR Trudan 8 Trudan 10 Trudan Headless Trudan Headless BMR X921 X922 X999	Southern States SS120 SS211 SS220 SS220 BMR Unigraze II	Star Seed, Inc. Excel MSDS Nutri-Max Nutri+Plus BMR	Syngenta Seeds, Inc Graze-n-Bale +
Taylor Seed WC Sweet Graze III PS	Terral Seed, Inc. Terrall TV 357	Timken Seed Farms Inc. NB-280-g	Triumph Seed Co., Inc. Sooner Sweet Sooner Sweet 5 SSII Super Sweet 10 Super Sweet 12 SuperSweet ST15 Sweet BMR 40
UAP Seed Danny Boy BMR Dynagrazer	Valley Feed and Seed Super Chief Sweet Chief X-tra Sweet Chief X-tra BMR	Walter Moss Seed Co. 38 Special BMR Century BMR Mega Green Mega Green BMR SU-2-LM	Warner Seed, Inc. Circle W Gro-N-Graze 8493 Gro-N-Graze Dream GTW-1 Sooper Su Sucrosse 3R Sucrosse 5R BMR Sucrosse 9-R-PS Sucrosse S1 Sucrosse S2 WXF-03451
Wilbur Ellis WE Grow BMR Integra 31F20	Miscellaneous Varieties Companies Unknown African Millet		

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***--Eligible Grain Sorghum Varieties (Continued)**

H 2011 Crop Year Ineligible Varieties (Continued)

The following are ineligible sweet sorghum varieties used for sugar purposes **only**:

- Brandes
- Della
- Keller
- Ramada
- Rio
- Roma
- Smith (MN 1500)
- Sugar Drip
- Texas Ribbon
- Texas Ribbon Cane
- Tracy
- White Ribbon
- Wiley
- Wray.--*

(Par. 300, 304, 316, 317, 335, 400, 501, 520, 524, 525, 617, 742, 1000, 1005, 1008, 1215, 1554)
 CCC-677-1's (Continued)

C Completing CCC-677-1's (Continued)

Item	Instructions
25	Enter the calculation of item 22 times the bu. or cwt. conversion factor, applicable to the commodity, as shown in item 36.
26	Commodity inspector shall 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 17. For oilseeds, except soybeans, enter the test weight factor from 8-LP, Exhibit 26.
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 12 or calculated according to 8-LP, subparagraph 430 C.--*
30	Enter the result of item 25 times item 27, and adjust, if applicable, for the moisture shrink factor determined in item 29, to determine the loan or LDP quantity.
31	Producer shall initial and date after verifying the measurements of the structures.
32	Producer shall 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	<p>If the quantity calculated in item 30 is equal to or more than the quantity calculated in item 34, there is no deficiency. Determine the quantity deficient, if any, by calculating the difference between the total adjusted measured quantity in item 30 and the loan quantity in item 33.</p> <p>Note: If COC determines a violation for a deficient loan or LDP quantity, enter COC action *--in "Remarks" section and follow 8-LP, Part 4 for loan and LDP violation provisions.--*</p>
36	<p>Use these factors for conversion of net cubic feet to bu. or cwt. Use:</p> <ul style="list-style-type: none"> • .201 as the conversion factor for crambe • .480 as the conversion factor for dry peas and lentils • .484 as the conversion factor for chickpeas. <p>Notes: See 8-LP, Exhibit 75.</p> <p>County Offices may use APSS to complete calculation of measurement service and attach all screen prints, as applicable, to CCC-677-1. The quantity must be entered in item 30.</p>

(Par. 300, 304, 316, 317, 335, 400, 501, 520, 524, 525, 617, 742, 1000, 1005, 1008, 1215, 1554)
 CCC-677-1's (Continued)

C Completing CCC-677-1's (Continued)

Item	Instructions
37 A	Commodity inspector shall 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: <ul style="list-style-type: none"> • 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	Commodity inspector shall sign and date upon completion of the measurement service or spot check.
38	Review CCC-679 for disbursement requests and enter names and amounts for other payees and offsets, if applicable, in the space provided. In remarks, enter any special instructions applicable to this action.
39	Enter date County Office completes lien search, when required.
40	Enter date the financing statement is filed.
41	After completion of CCC-677-1 , County Office employee shall sign and date for CCC.
42	For spot checks , commodity inspector shall complete for all structures entered in items 12 and 13. (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 shall complete a new CCC-677-1.
42 Remarks	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.

Examples of Applicable Dates for Mature MAL’s When CCC-681-1 Requested Shortly Before Maturity

The following table 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 sent CCC-691 and demand letter (Exhibit 11, subparagraph G) on November 1 with 30 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 sent CCC-691 and demand letter (Exhibit 11, subparagraph G) on November 1 with 30 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 demand letter issued.	11-1-XX (30 calendar days)	11-1-XX (30 calendar days)
CCC-681-1 expires.	11-14-XX (No extension requested.)	11-14-XX
CCC-681-1 grace period ends.	11-29-XX	N/A because nothing was delivered.
Repayment received for commodity delivered by 11-14-XX under CCC-681-1.	11-28-XX	
CCC-691 “final date to deliver”.	12-1-XX	12-1-XX
Second demand letter sent.	12-2-XX	12-2-XX
Begin foreclosure proceedings (30 calendar days after CCC-691 “final date to deliver”). <u>1/</u>	1-2-XX <u>1/</u>	1-2-XX <u>1/</u>

1/ Foreclosure proceedings begin on the 31st day after either of the following:

- CCC-691 “Final Date to Deliver”
- extended “Final Date to Deliver”.

