

**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 4**

**Approved:** Deputy Administrator, Farm Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 1201 E has been amended to clarify how the loan quantity for recourse commodity loans is determined.

Subparagraphs 1210 A and B have been amended to clarify the eligible moisture requirements for corn and grain sorghum recourse loans.

Subparagraph 1210 F has been amended to clarify how the loan quantity for recourse high moisture corn and grain sorghum commodity loans is determined.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	12-3 through 12-24	



**1201 Loan Rates****A Final Date to Request Loan**

The producer must request the loan by the final availability date for the commodity according to subparagraph 226 C.

**B Loan Rate**

The loan rate shall be, for commodities stored in structures that:

- can be measured, 100 percent of the base county loan rate if the quantity is:
  - measured and the structure may or may not be sealed after being measured
  - certified and the structure will **not** be sealed
- **cannot** be measured, 75 percent of the base county loan rate.

**\*--Example:** \$2 base county loan rate x 75 percent = \$1.50 applicable loan rate.--\*

Structures that are sealed shall be considered structures that “cannot be measured”.

The loan rate for commodities produced on ACRE-elected farms will be further reduced by 30 percent.

**C Moisture Determination**

The moisture determination may be determined by any of the following:

- local warehouse or State inspection facilities at producer’s expense
- FSA employee
- producer’s certification of moisture, when the commodity is in a structure that **cannot** be measured.

Do **not**:

- obtain sample or certification for test weight
- adjust for test weight and pack factors.

**D Determining Farm-Stored Loan Quantity**

When excess moisture is determined according to subparagraph 528 C, apply the applicable moisture shrink factor, according to Exhibit 12, to the determined loan quantity.

Do **not** apply a discount for excess moisture.

**1201 Loan Rates (Continued)**

**E Loan Quantity Adjusted for Moisture**

The loan quantity shall be:

- \* \* \* 100 percent of the certified or measured quantity \* \* \*
- adjusted for the applicable moisture shrink factor, according to Exhibit 12, to reflect the quantity at the 2-LP standard moisture level.

**Example:** Grain sorghum is 14.0 percent and corn is 15.5 percent.

**F Establishing Repayment Schedule**

If commodity will be fed, County Offices shall establish a loan repayment schedule with each producer:

- at loan disbursement
- to ensure that the loan is repaid before:
  - the commodity is removed for feed
  - loan maturity.

County Offices shall establish a system to periodically monitor the repayment schedule.

**1202-1209 (Reserved)**

## Section 2 Corn and Grain Sorghum HM Recourse Loans

## 1210 Commodity Recourse Loans

## A Availability

To provide the maximum benefits to producers who normally harvest and store all or a portion of their corn or grain sorghum at moisture levels exceeding 2-LP standards, even if the moisture level is below the maximum STC-established level, producers may obtain a recourse loan for:

- HM corn or grain sorghum stored in structures capable of storing ensilage

**Example:** Grain stored in Harvestore, pit silo, or oxygen limiting structures.

- an acquired quantity to replace HM corn and grain sorghum according to paragraph 1211.

## B Eligibility

HM corn and grain sorghum **must** meet the definition for the applicable commodity according to the U.S. Standards for Grain that, in part, require 50 percent or more whole kernels and a moisture level higher than the 2-LP standard \* \* \* moisture level for HM corn and grain sorghum.

In **all** cases, HM corn and grain sorghum **must** be harvested as grain.

**1210 Commodity Recourse Loans (Continued)****C Final Date to Request Loan**

The producer **must** request the loan by the final availability date for the commodity according to subparagraph 226 C. See paragraph 1211 for the final request date on acquired grain.

**D Loan Rate**

The loan rate shall be, for commodities stored in structures that:

- can be measured, 100 percent of the base county loan rate if the quantity is:
  - measured and the structure may or may not be sealed after being measured
  - certified and the structure will **not** be sealed
- **cannot** be measured, 75 percent of the base county loan rate.

\*--**Example:** \$2 base county loan rate x 75 percent = \$1.50 applicable loan rate.--\*

Structures that are sealed shall be considered structures that “**cannot** be measured”.

The loan rate for commodities produced on ACRE-elected farms will be further reduced by 30 percent.

**E Moisture Determination**

The moisture determination may be determined by any of the following:

- local warehouse or State inspection facilities at producer’s expense
- FSA employee
- producer’s certification of moisture, when the commodity is in a structure that **cannot** be measured.

Do **not**:

- obtain sample or certification for test weight
- adjust for test weight and pack factors.

**1210 Commodity Recourse Loans (Continued)**

**F Loan Quantity Adjusted for Moisture**

The loan quantity shall be:

- \* \* \* 100 percent of the certified or measured quantity \* \* \*
- adjusted for the applicable moisture shrink factor, according to Exhibit 12, to reflect the quantity at the 2-LP standard moisture level.

**Example:** Grain sorghum is 14.0 percent and corn is 15.5 percent.

**G Establishing Repayment Schedule**

If HM corn and grain sorghum or acquired commodity will be fed, County Offices shall establish a loan repayment schedule with each producer:

- at loan disbursement
- to ensure that the loan is repaid before:
  - the commodity is removed for feed
  - loan maturity.

County Offices shall establish a system to periodically monitor the repayment schedule.

## 1211 Acquired Quantities for HM Commodities

### A Availability

For HM corn or grain sorghum, a quantity of corn or grain sorghum may be **acquired** for loan purposes in the same county where an eligible quantity of the HM corn or grain sorghum was produced.

The acquired quantity shall replace the applicable HM corn or grain sorghum that will be delivered to 1 of the following:

- feedlot
- feed mill
- commercial or on-farm HM corn or grain sorghum storage facility.

### B Eligibility

The commodity acquired may be:

- the producer's own current year production
- purchased grain.

### C Requesting Loan on Acquired Grain

To obtain a recourse loan on acquired grain in place of the HM corn or grain sorghum, the producer **must**:

- request the loan within 30 calendar days of harvest of the HM corn or grain sorghum, but no later than December 31 of the applicable crop year
- own the acquired grain and the HM corn or grain sorghum at the **same** time when requesting the loan
- certify the acreage of the HM corn or grain sorghum to be disposed and replaced with acquired grain
- identify the acreage harvested HM on aerial photographs in the County Office
- store the acquired grain in farm or warehouse storage approved for storing dry grain.