

For: State and County Offices

**Spot Checking LDP's**

Approved by: Deputy Administrator, Farm Programs

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**1 Overview**

**A**

**Background**

Notice LP-1663 provided new policies for loans and LDP's for commodities harvested as other than grain. Subparagraph 4 E of that notice provides that the acres harvested as other than grain are to be obtained from FSA-578.

**B**

**Purpose**

This notice provides:

- instructions on revising FSA-578's to reflect the final use of a crop harvested as other than grain
- spot checking procedures to determine acres and production.

<b>Disposal Date</b>	<b>Distribution</b>
October 1, 1999	State Offices; State Offices relay to County Offices

## Notice CP-513

### 2 Revised Acreage Reports

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#### A

#### Revisions to Intended Use

If a crop acreage was reported on FSA-578 with an intended use of grain, but a producer requesting a loan or LDP indicates that all or a portion of the acreage was harvested as other than grain:

- make the manual revisions on the printed copy of FSA-578
- have the producer initial and date the revisions.

**Note:** It is not necessary to revise FSA-578 in the system if only intended use is being revised. Follow procedure in 2-CP for late-filed and revised acreage reports, as applicable, if the producer wishes to make other additions or revisions to FSA-578.

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#### B

#### Correcting Shares

If producer shares on FSA-578 are not correct, shares may be changed according to 2-CP, paragraph 101.

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## Notice CP-513

### 3 Spot Checks (Continued)

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#### A

#### Spot Check Procedure

County Offices are required to conduct farm inspections to ensure that producers comply with FSA program requirements for LDP's.

County Offices shall:

- prepare manual spot check list according to subparagraph 3 B, randomly select 15 percent of LDP's according to 2-CP, subparagraph 322 B, item 6, and conduct a farm visit to:
    - visually verify that LDP quantity classed as "SIL" is, or was, physically in existence and stored on the farm
- Note:** Measurements shall not be performed when completing the visual spot check.
- verify use of the crop if FSA-578 was revised according to subparagraph 2 A.

**Note:** If the County Office is unable to verify the actual acreage cut for hay or uses other than grain, the producer's certification on FSA-578 may be accepted as accurate if, during the field visit, there is no reason to doubt the certification on FSA-578.

- if less than 5 farms with FSA-578's revised according to subparagraph 2 A are selected, randomly select additional farms with revised FSA-578's until a total of 5 farms are selected.

**Example:** "SIL" LDP was obtained for production from FSN's 25 and 46. The intended use on FSA-578 was revised from grain to silage on both farms. If LDP is selected for spot check, the visual verification of production and the crop's use on both FSN's 25 and 46 must be verified. See subparagraph.

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Notice CP-513

3 Spot Checks (Continued)

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**B**  
**Completing LDP**  
**Spot Check List**

Manually prepare the LDP spot check list (Exhibit 1) according to the following table.

<b>Column Number</b>	<b>Instruction</b>
1	Enter name of producer.
2	Enter LDP number for farm-stored LDP's recorded in APSS as farm-stored certified LDP's made with the class code "SIL".
3	Enter farm numbers applicable to LDP. If more than 1 farm number applies to LDP, record farm numbers on a separate line.
4	For each farm number recorded in column 3, ENTER "Y" if FSA-578 is revised.
5	Record results of the visual spot check performed to verify that LDP quantity was, or is, in physical existence and to verify that the intended use changes on the revised FSA-578. If FSA-578 was not revised, note that the visual spot check was completed only to verify existence of the LDP quantity.

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**Farm-Stored Certified Class “SIL” LDP Spot Check List**

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**A**

**Example of Completed LDP Spot Check List**

This is an example of the LDP spot check list. The blank spot check list in subparagraph B may be reproduced as needed.

<b>Producer Name (1)</b>	<b>Farm-Stored Certified SIL LDP # (2)</b>	<b>Farm # (3)</b>	<b>Revised FSA-578 Y / N (4)</b>	<b>Results (5)</b>
Joe Jones	90100	25	Y	Production and acreage confirmed.
“ ”	“	46	Y	Production fed. Acreage confirmed.
Lazy River Farms, Inc.	90250	87	N	Not applicable

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