

For: State and County Offices

Handling Situations When Producers Cannot Obtain LDP's or Warehouse-Stored Loans

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Several inquiries have been received where producers are facing storage shortages or have reached their maximum payment limitation.

B

Purpose

This notice provides State and County Offices:

- a reminder of current provisions for handling loan requests by:
 - implementing the distress loan program
 - approving alternative storage methods
- policy for handling 1999-crop LDP requests for producers who have reached their \$75,000 payment limitation.

<p>Disposal Date</p> <p>January 1, 2000</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice LP-1695

2 Reminders

A

Distress Loan Program

STC may initiate a distress loan program when both of the following apply:

- commodity is stored on the ground or in temporary facilities
- when there is a shortage of storage at harvest time.

Distress loan provisions are provided in 8-LP, Part 4, Section 6.

B

Eligible Storage for Farm-stored Loans

COC may approve commodities stored in bags for farm-stored loans according to 8-LP, paragraph 424.

3 Payment Limitation

A

LDP Eligibility

Producers who have reached the \$75,000 payment limitation and are planning to sell their commodity, may request LDP in the normal manner before beneficial interest is lost.

B

County Office Action

County Offices shall:

- accept CCC-666 LDP
 - inform the producer that no action will be taken on LDP requests until further instructions are received about this issue
 - not approve or disapprove LDP requests
 - file LDP requests in a pending folder
 - wait for further instructions about the completion of these LDP requests.
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C

Further Instructions

Further instructions will be issued about the action required for approving or disapproving these LDP requests.
