

For: State and County Offices

Limitation Change for Crop Year 1999 Marketing Loan Gains and LDP's

Approved by: Deputy Administrator, Farm Programs



1 Overview

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Background

The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000, amended the Agricultural Market Transition Act to increase the payment limitation for marketing loan gains and LDP's from \$75,000 to \$150,000, per person, for eligible crops produced in 1999.

B

Purpose

This notice informs State and County Offices of:

- the payment limitation change
- a special provision for producers who have marketed a quantity of an eligible 1999 crop and did not receive LDP or a marketing loan gain because of 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-1709

2 1999 Payment Limitation Changes

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Applicability

A payment limitation of \$150,000 for all crops, per person, applies to:

- LDP's
 - market loan gains from cash loan repayments at a rate of less than the principal
 - only eligible wheat, feed grains, oilseeds, and rice crops produced in crop year 1999.
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B

Subsidiary File Changes

Applicable subsidiary files have been edited doubling the 1999 crop year payment limitation amount for producers. County Offices should have received the subsidiary file download changing producer payment limitations.

C

Special Provision for Crop Year 1999

Producers who marketed a quantity of an eligible 1999 crop and/or did not receive LDP or marketing loan gain because of payment limitation, will be able to receive LDP or marketing loan gain as of the date that the quantity was marketed or redeemed.

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3 State Office Action

A Action

State Offices shall:

- publicize the contents of this notice immediately to the maximum extent possible
- instruct County Offices to notify producers immediately of the contents of this notice using all available sources
- notify PSD by FAX, no later than COB Friday, November 26, 1999, of:
 - the actions taken
 - sources used to publicize the contents of this notice.

Notes: Negative reports are required.

FAX information to PSD, Attention: Harold Connor, Deputy Director,
at 202-690-3307.

4 County Office Action

A Producer Notification

County Offices shall notify all producers immediately of the contents of this notice using all available sources.

B Producers Retaining Beneficial Interest

For eligible producers who did not receive LDP or marketing loan gain because of payment limitation, but who still retain beneficial interest in an eligible 1999 commodity, County Offices shall inform them of the payment limitation change and that they may now apply for LDP's or earn marketing loan gains up to \$150,000 per person.

C Producers Who Have Filed LDP Requests

For eligible producers who marketed a quantity of an eligible 1999 commodity and filed an LDP request that is pending payment according to Notice LP-1695, County Offices shall:

- process the requests in the normal manner using the LDP rate that was in effect as of the date the commodity was sold
 - correct, using the APSS corrections software, any requests processed with an LDP rate other than the rate that was in effect on the date the commodity was sold.
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4 County Office Action (Continued)

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Producers Who Did Not File LDP Requests

For eligible producers who marketed a quantity of an eligible 1999 commodity for which they did not receive an LDP because of the \$75,000 payment limitation, County Offices shall:

- allow producers to request LDP using CCC-666 LDP
 - enter the following producer certification anywhere on CCC-666 and not as an attachment, **"I understand that beneficial interest requirements are waived for only the 1999 crop year on the quantity for which I am requesting an LDP."**
 - for fed production, allow producers to certify to quantity and date fed, use the LDP rate in effect on the date the commodity was fed
 - obtain date of sale and quantity from production evidence
 - for wheat, feed grains, oilseeds, and rice, use the LDP rate in effect on the date the commodity was sold
 - require producers that have not previously applied according to Notice LP-1695, to apply by December 31, 1999.
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Denied Market Gain on a Marketing Loan Repayment

For producers who were not afforded the opportunity to repay a 1999 crop year loan at the marketing loan repayment rate because they exceeded the payment limit involving a loan repayment transaction before October 22, 1999, County Offices shall:

- identify the applicable loans
 - correct the applicable loan repayment transaction using the correction software in APSS
 - reenter the repayment as a manual transaction using the date of original repayment
 - repay the loan using the marketing loan repayment rate in effect on the date of the original repayment
 - issue revised repayment documents to producers.
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