

For: CMA's, LSA's, and State and County Offices

National Price Support Training Session Questions and Answers

Approved by: Deputy Administrator, Farm Programs



1 Training Session Questions and Answers

A

Background

Several questions were raised during the National Price Support Training Session in New Orleans, Louisiana, held May 16 through May 19, 2000.

B

Purpose

This notice provides answers to the questions recorded during the sessions about:

- commodity loans
 - LDP's
 - web bases PCP and LDP rates.
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Disposal Date	Distribution
May 1, 2001	State Offices; State Offices relay to County Offices, and FAX to CMA's and LSA's

Notice LP-1743

1 Training Session Questions and Answers (Continued)

C

Questions and Answers

How are County Offices going to handle yield determinations for commodities harvested as other than grain when an appraisal has been completed on different units on a farm?

Determine whether the LDP quantity is associated with any area that an FSA crop appraisal yield has been assigned for noninsured commodities or any appraised insured commodities. If an appraisal has not been completed, determine the LDP quantity according to 8-LP, paragraph 536. The intent of using a crop appraised yield is to have the same yield established for LDP's and crop disaster related programs whenever possible.

Quantity determinations on LDP's requested for commodities harvested as other than grain must be determined as follows.

FOR LDP's requested for...	AND...	THEN...
all commodities	there are no crop appraisals filed	use any other method available in 8-LP, paragraph 536.
noninsured commodities	an FSA appraisal is on file	use the yield determined by the FSA appraisal to determine the LDP quantity.
insured commodities	an FCIC or RMA (FCIC) crop appraisal is on file	<p>COC must determine whether the production requested for LDP is from the crop appraised acreage.</p> <p>If COC determines the LDP production is:</p> <ul style="list-style-type: none"> • from the crop appraised acreage, use the FCIC yield to determine the LDP quantity • not from the crop appraised acreage, use any other method available in 8-LP, paragraph 536. <p>In cases where the LDP production is from the crop appraised acreage but COC determines the FCIC yield is inaccurate, do not use the FCIC yield and determine the quantity using any other method available in 8-LP, paragraph 536.</p>

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Does the County Office have any obligation to reconcile the RMA data with the determination of LDP yields?

No.

What if a producer does not have a crop appraisal?

Use any of the other methods available in 8-LP, paragraph 536.

Is there any procedure in place to require refunds of already disbursed LDP's?

It depends. LDP refunds are not required if a crop appraisal or crop disaster yield has not been established at the time LDP is requested. If LDP has been disbursed and a crop disaster yield is later assigned, previously disbursed LDP's do not need to be redetermined. However, any LDP request received after the disaster yield determination must reflect that yield, as applicable.

If the County Office uses the automated claim system, there is no automated report that prints out in regards to multicounty producers.

Continue to use all means of communication between County Offices and control County Offices regarding multicounty producers.

Does the County Office disapprove loan and LDP requests from producers with receivables that are not yet claims?

No, continue to follow the procedure based on the details in the demand letter and offset procedure. Once the producer reaches claims status do not offset payments or approve any loan or LDP.

Are loans eligible to be repaid with a market gain, when a producer has later become delinquent?

Yes. Once a loan has been disbursed, we will allow the producer the opportunity to repay loans with the market gain.

If a producer claims to have repaid a debt, is the producer eligible for a loan?

Yes, but the burden of proof is on the producer. The producer must provide acceptable proof that the debt has been settled before disbursement of any loan or LDP proceeds.

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Are LDP's available to delinquent Farm Loan producers when they are still waiting for loan servicing?

No. If the producer is delinquent on a Farm Loan payment, loans and LDP's are not available until a servicing agreement is approved and accepted.

A producer requested measurement service for production evidence and now the delivery evidence is 600 bushels short of the measured quantity. How is this recorded for repayment under CCC-681-1?

8-LP, paragraph 953 provides that if the delivered quantity is less than the measured quantity and is within tolerance, the repayment rate is the locked-in rate or the rate in effect on the date the repayment is received. If the delivered quantity is not within tolerance, determine whether good faith has been established on the violation and collect the amount according to 8-LP, Part 6.

Are liquidated damages assessed for this type of shortage?

Assess liquidated damages if production evidence is short and not within tolerance and only if good faith has not been determined. See 8-LP, Part 6.

When a shortage is determined, a notification letter is sent to a producer providing 30 days to repay the shortage. If a producer does not repay the shortage, a demand letter is sent. Within this 30-day period, the producer repays the shortage. How is this recorded?

Record the shortage through the violation subsystem and collect the receivable in the normal manner.

How does the County Office record the CCC-709 violation if the total quantity of LDP is correct but the delivery date is in error?

If a spot check reveals that the quantity is correct but the delivery date is in error, an incorrect certification has occurred and a violation exists. Follow procedure in 8-LP, paragraph 613 for determining good faith and demands for refund of LDP or unearned market gain, as applicable. Record the spot check as a discrepancy on the monthly performance spot check report, as applicable.

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Currently, market rates have differential amounts applicable to specific terminals and commodities, and does not show in the example of the intranet application. How are County Offices suppose to accommodate the differential amount?

The detail page has the terminal market assigned to each commodity in each county. The "Diff" column takes into account both the standard differential and any temporary differentials.

Has any thought been given to putting these rates on the internet? Is there an anticipated release date?

We are taking slow steady steps to move forward on putting this data on the intranet and internet. We anticipate that this information will ensure accuracy and timeliness of the data. June 1, 2000, is the release date for the intranet. A date has not been established for making this information available on the internet.

This process appears to save the county a lot of time. Is there a way the state can pull the report to show all the counties?

Not at this time but we will review the matter for the future.

How will the County Office obtain the rates, if the counties are not able to get the LDP rate on a given day and the intranet is dumped?

The intranet file is dumped each day. Since access to any state or county is available, a County Office that will be closed for some reason should ask another State or County Office to run the daily sheet.
