

For: State and County Offices

Submitting Production Evidence for Loans and LDP's

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

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Background

Producers are required to submit production evidence for randomly selected marketing assistance loans and LDP's. County Offices also accept production evidence that is voluntarily submitted.

Several State and County Offices have inquired about policies and procedures regarding:

- accepting production evidence that includes a moisture content
- using paid measurement service as production evidence.

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Purpose

This notice reminds State and County Offices of:

- policies and procedures for accepting production evidence
- County Office responsibilities for accepting production evidence
- producer responsibilities for submitting production evidence.

Disposal Date March 1, 2003	Distribution State Offices; State Offices relay to County Offices
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Notice LP-1835

2 Production Evidence

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Submitting Production Evidence With Moisture Content

When acceptable production evidence includes a moisture content, County Offices shall:

- verify moisture level to determine whether moisture percentage is:
 - in excess of the maximum eligible levels applicable to the commodity, according to the applicable 2-LP handbook
 - equal to or below the STC-set maximum moisture levels

Note: Moisture levels must be equal to or below the STC-set maximum moisture levels to be eligible for marketing assistance loans and LDP's. Loan or LDP quantities must be adjusted to reflect applicable standard moisture level, according to the applicable 2-LP handbook.

- determine whether net quantity has been adjusted for moisture, if applicable.
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B

Adjusting Production Evidence for Moisture

County Offices shall adjust production evidence for moisture when production evidence indicates the gross quantity has not been adjusted for moisture. If the gross quantity was not adjusted down to the maximum eligible levels according to the applicable 2-LP handbook, then the County Offices must further reduce the loan and LDP quantity for moisture shrink.

For production evidence that is submitted and moisture content is not included, County Offices shall accept the net quantity. No further action is necessary.

C

Accepting Already Adjusted Production Evidence

Production evidence that has already been adjusted for moisture will be considered final production and no further action is necessary. If the production evidence indicates the quantity was adjusted for moisture below the maximum eligible levels, County Offices shall not adjust the quantity upward.

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2 Production Evidence (Continued)

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Accepting Production Evidence With Net Quantity

Acceptable production evidence must include net quantity. Production evidence that provides net quantity adjusted for moisture, if applicable, will not be adjusted upward or downward for any other grading factor.

If the production evidence displays gross quantity and the moisture is provided, in addition to other grading factors, the gross quantity will only be adjusted for moisture.

3 Paid Measurements as Production Evidence

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Measurement Service for Production Evidence

Quantities determined by a paid measurement service may be used as final production evidence for loans and LDP's. Producers who request a measurement service can use the paid measurement service as final production evidence in either of the following cases:

- at the time the loan or LDP is requested
- if the loan or LDP is randomly selected for spot check.

Loan and LDP quantities will only be disbursed or issued based on the measured quantity, unless the producer provides another form of acceptable production evidence at the time the loan or LDP is requested and before the loan disbursement or LDP issuance. Producers must make a new loan or LDP request for any additional quantities by the final availability date for loans and LDP's.

Note: Producers can request loan or LDP on a quantity less than or equal to the measured quantity.

If the producer decides to use the:

- paid measurement service as production evidence at the time of the loan or LDP request, then the producer must initial and date CCC-677-1
- previously paid measurement service as production evidence as result of the randomly selected spot check, then the producer must initial and date the original CCC-677-1. County Offices will record the spot check as "completed" in APSS and no further action is necessary.

8-LP will be amended to incorporate this policy.

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3 Paid Measurements as Production Evidence (Continued)

B Measurement Service Not Used for Final Production Evidence

If the paid measurement service is not used for final production evidence, at the time the loan or LDP is requested or when the loan or LDP is randomly selected for spot check, the producer must provide another type of acceptable production evidence. Acceptable production evidence will be required within 30 calendar days of the randomly selected spot-check.

If the producer does not provide production within the 30 calendar days, then the loan or LDP must be refunded. The producer is responsible for informing the County Office of his or her decision to use the paid measurement service as final production evidence.

4 Responsibilities

A County Office Responsibilities

County Offices are responsible for:

- verifying production evidence is acceptable and includes the required information according to 8-LP, subparagraph 535 C
 - ensuring that loan and LDP quantities are supported by production evidence that is submitted
 - filing production evidence in the applicable loan or LDP folder.
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B Producer Responsibilities

Producers are responsible for providing production evidence that is reflective of their eligible production harvested and/or marketed from the applicable farm. If producers disagree with the net quantity as a result of moisture adjustments, then it is the producer's responsibility to rectify, before submitting the production evidence to the County Office.
