

For: State and County Offices

**Special Provisions for 2001 Crop Loan Deficiency Payment (LDP) Commodities**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

The Farm Security and Rural Investment Act of 2002 (the Act) provides special provisions for 2001 crop year LDP's. The special provisions extend 2001 crop year LDP eligibility to producers who:

- produced eligible contract commodities on non-Production Flexibility Contract (PFC) farms
- lost beneficial interest in an eligible commodity produced on a non-PFC or PFC farm.

Because the Act provided authority to accept LDP requests on commodities produced on non-PFC farms beyond the final loan availability date, the provision was extended to include PFC farms to ensure program equity among all producers of eligible contract commodities.

**B**

**Purpose**

This notice informs State and County Offices of:

- special 2001 crop year LDP provisions
- policies and procedures for determining the applicable LDP rate
- instructions for accepting special 2001 crop year LDP requests
- their responsibilities for administering the provisions in this notice.

<p><b>Disposal Date</b></p> <p>November 1, 2002</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices and FAX to Grain and Rice CMA's</p>
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## Notice LP-1842

### 2 Special Provisions for 2001 Crop LDP's

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#### A

##### Applicability

The provisions of this notice are applicable to:

- producers who request benefits through County Offices
  - approved grain and rice CMA's who obtain benefits for their eligible members from designated service County Offices.
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#### B

##### Clarifying Special 2001 Crop LDP Waivers

For 2001 crop year **only**, LDP's are authorized for eligible producers who:

- lost beneficial interest before submitting an LDP, if all of the following conditions apply:
    - producer did not previously receive a loan or LDP on the applicable commodity
    - applicable commodity harvested would have otherwise been eligible for a marketing assistance loan or LDP according to 8-LP
    - producer has not exceeded 2001 crop year payment limitation
  - produced contract commodities and retained beneficial interest
  - produced and harvested eligible contract commodities on non-PFC farms, according to subparagraph D.
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#### C

##### Special Beneficial Interest Waiver for PFC Farms

Producers who produced and harvested a contract commodity on a PFC farm that lost beneficial interest in the commodity are eligible for a 2001 crop year LDP.

Producers must:

- submit an LDP request on or before 30 calendar days after the publication of the regulations in the FR

**Note:** The final date for accepting these requests will be announced in a future LP notice.

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**2 Special Provisions for 2001 Crop LDP's (Continued)**

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**C**

**Special Beneficial Interest Waiver for PFC Farms (Continued)**

- provide acceptable production evidence; such as sales receipts, load summary sheets, etc.; that indicate when beneficial interest was lost.

Producers who previously requested LDP's, but were disapproved because the beneficial interest had been lost, are now eligible to receive an LDP. If eligible producers received a certified or measured LDP and subsequently provided production evidence for a quantity exceeding the requested LDP amount, the producer may request a new LDP on the additional quantity.

If the producer retains beneficial interest in the 2001 crop year commodity produced on the PFC farm, the:

- LDP rate will be based on the date of request
  - producer must submit the LDP request on or before 30 calendar days after the publication of the regulations in the FR.
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**D**

**Special 2001 Crop Waiver for Non-PFC Farms**

Producers who produced contract commodities on non-PFC farms are eligible for 2001 crop LDP's. Producers must submit an LDP request on or before 30 calendar days after the publication of the regulations in the FR. The final date for accepting these requests will be announced in a future LP notice.

Subject to certain conditions, a producer will be allowed to receive an LDP for contract commodities harvested from a farm without PFC, even though the producer has already marketed the commodity.

The conditions are as follows:

- no one has previously received a marketing loan gain or LDP for the commodity, the producer seeking payment was the actual producer of the commodity, and the producer had beneficial interest in the commodity at the time of the marketing
  - the producer will receive the payment as LDP, in which case the amount to be paid will be determined as of the date the producer marketed or lost beneficial interest in the commodity
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## Notice LP-1842

### 2 Special Provisions for 2001 Crop LDP's (Continued)

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#### D

#### Special 2001 Crop Waiver for Non-PFC Farms (Continued)

- the commodity was harvested and marketed by the producer on or before 30 calendar days after the regulation is published in the FR
- the producer is eligible for nonrecourse marketing assistance loans, including filing the following:
  - AD-1026, according to 6-CP
  - CCC-502, according to 1-PL
  - FSA-578, plus applicable late filing fees, according to 2-CP.

If the producer retains beneficial interest in the 2001 crop year commodity produced on the non-PFC farm, the LDP rate will be based on the date of request.

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### 3 LDP Rates and Requests

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#### A

#### Determining LDP Rate

Eligible producers who:

- have lost beneficial interest will use the LDP rate in effect on the date the producer lost beneficial interest
- fed their commodities will use the LDP rate in effect on the date or dates the commodity was fed
- used LDP quantities for seed will use the LDP rate in effect on the date the commodity was seeded.

For eligible producers who produced and harvested commodities on non-PFC or PFC farms and retain beneficial interest, the LDP rate will be based on the date of the request.

For 2001 crop year LDP requests received after May 31, 2002, use the applicable 2001 crop year loan rates when calculating the LDP rate according to 8-LP, paragraph 985.

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**3 LDP Rates and Requests (Continued)**

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**B**

**LDP Requests**

Producers who are eligible according to the special provisions in this notice must request LDP's:

- using CCC-633 LDP
- on or before 30 calendar days after the publication of the regulations in the FR.

**Note:** The final date for accepting these requests will be announced in a future LP notice.

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**C**

**Processing  
Special LDP's in  
Automated Price  
Support System**

Automation procedures for processing the special 2001 LDP requests will be included in a forthcoming PS notice.

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**4 State and County Office Action**

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**A**

**State Office  
Action**

State Offices shall:

- publicize the contents of this notice immediately to the maximum extent possible
- instruct County Offices to notify all producers immediately of the contents of this notice using all available resources
- review STC minutes to identify cases involving producers who requested relief because of loss of beneficial interest, but were denied based on the statutory requirements

**Note:** Contact the appropriate County Office to take action.

- return relief or appeal cases involving loss of beneficial interest to the applicable County Offices.
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**4 State and County Office Action (Continued)**

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**B  
County Office  
Action**

County Offices shall:

- notify all producers immediately of the contents of this notice using all available resources
- act upon any pending relief or appeal cases involving loss of beneficial interest by contacting appellants to inform them that if they will withdraw their request for relief or appeal in writing, the original LDP request will be processed.

For requests for relief that are:

- withdrawn in writing, the County Office shall process the original LDP request, using the LDP rate in effect on the date the commodity was sold
- known to be at the National Appeals Division (NAD) appeal level, State and County Offices shall contact the producer and inform him or her of this policy.

**Note:** The producer is responsible for contacting NAD to withdraw an appeal.

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