

For: FSA Offices

**Clarifying Eligible Dry Pea Quantity for Marketing Assistance Loans and LDP's**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Notice LP-1944 provided policies for determining the eligible dry pea quantity for loans and LDP's based on the revised GIPSA standards for dry peas which now are based on a feed pea standard. This notice provides corrected information for determining eligible dry pea quantities for loan and LDP.

**B Purpose**

This notice:

- clarifies the policies for determining eligible dry pea quantity for marketing assistance loans and LDP
- obsoletes Notice LP-1944.

<b>Disposal Date</b> June 1, 2004	<b>Distribution</b> All FSA Offices; State Offices relay to County Offices
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## Notice LP-1946

### 2 Clarifying Policy for Dry Pea Marketing Assistance Loans and LDP's

#### A GIPSA Program Directive

GIPSA has issued a program directive clarifying feed pea quality factors and standards.

A major difference between the 2 markets is the dockage determination. The dockage percentage for feed peas is based on foreign material and other material. Quality factors, such as pea size or appearance, do **not** impact the feed pea market; therefore, the quantity of peas eligible for loan or LDP is not reduced because of pea size or appearance.

State and County Offices can download the program directive that established the feed pea grading standards at <http://www.usda.gov/gipsa/reference-library/bulletins/bulletins.htm>.

#### B Determining Eligible Dry Pea Quantity for Loan or LDP

For 2003 and subsequent crop years, marketing assistance loans and LDP's for dry peas will be based on net weight excluding non-pea material. Non-pea material will consist of "**other material**" and "**foreign material**".

Dry pea loan and LDP quantities will **only** be reduced for foreign and other material.

#### C Production Evidence

Producers must submit production evidence that indicates net weight has been reduced for foreign and other material. For loans or LDP's processed before the date of this notice and production evidence was provided, County Offices shall review the production evidence to determine if net weight was adjusted for foreign and other material. Producers will be required to submit acceptable production evidence, if it is determined that the net weight was not adjusted for foreign and other material.

**Example:** Producer requested LDP on 7,000 cwt. of marrowfat peas at \$2.68 (LDP rate). The settlement sheet includes:

- the statement, "*Sample contains 97.5% of whole broken or pieces of peas.*"
- **Dockage Breakdown:**
  - Small peas - 2.0%
  - Splits - 1.8%
  - Other material-1%
- **Defects & Foreign Material breakdown:**
  - Foreign Material - 1.5%
  - Bleached - 86.2%.

With the revised UGRSA feed pea standards, the quantity will be reduced by 2.5 percent (Foreign and other material **only**). The producer would receive LDP for \$18,291 based on 6,825 cwt. (97.5 percent of 7,000 cwt.).

## Notice LP-1946

### 2 Clarifying Policy for Dry Pea Marketing Assistance Loans and LDP's (Continued)

#### D Effective Date

Policies included in this notice are effective for the 2003 and subsequent crop years. For marketing assistance loans and LDP's disbursed or spot-checked before the date of this notice and the loan or LDP quantity was reduced for dockage according to U.S. standards, County Offices shall:

- delete the applicable loan or correct the applicable LDP in APSS
- determine the eligible loan or LDP quantity according to subparagraph B
- re-enter the loan or modify the applicable LDP in APSS
- issue the additional loan proceeds or LDP benefits.

**Note:** Prompt payment interest is **not** applicable to the additional loan disbursement or LDP.

#### E Reporting Additional Loan Disbursements or LDP's

County Offices shall report to the State Office the number of loans or LDP's that were corrected and the total additional dollar amount associated with the corrections as a result of this program clarification.

State Offices shall compile the County Office totals and provide a report to Kimberly Graham, Program Manager at **Kgraham@wdc.fsa.usda.gov** on or before **December 19, 2003**.