

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

**2008 Crop Year Marketing Assistance Loan (MAL)  
and Loan Deficiency Payment (LDP) Policies and Procedures**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Food, Conservation, and Energy Act of 2008 (2008 Act), Pub. L. 110-234, was enacted into law May 22, 2008. The 2008 Act authorizes 2008 crop MAL's and LDP's on barley, canola, corn, crambe, dry peas, flaxseed, grain sorghum, honey, lentils, mohair, mustard seed, oats, rapeseed, rice, safflower, sesame seed, small chickpeas, soybeans, sunflower seed, wheat, and graded and non-graded wool. FR was filed on June 5, 2008, and State and County Offices are authorized to accept MAL and LDP requests **immediately**.

The 2008 Act authorizes MAL's and LDP's for crop years 2008 through 2012. However, this notice is specific to 2008 crop year MAL and LDP policies.

Policies and procedures included in this notice:

- are effective **immediately** for the 2008 crop year
- are **not** effective for cotton and peanuts
- will be included in 8-LP.

**B Purpose**

This notice provides general policies and procedures for administering and disbursing 2008 crop year MAL and LDP requests for all commodities, **except** cotton and peanuts.

<p><b>Disposal Date</b></p> <p>January 1, 2009</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices and FAX to CMA's and DMA's</p>
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### 2 General 2008 MAL and LDP Policies

#### A General Policy Overview

General MAL and LDP policies applicable to the 2007 crops will be in effect for the 2008 crop year and shall be administered according to provisions in 8-LP. 8-LP will continue to be updated to include and clarify basic program provisions for administering the 2008 crop MAL and LDP program.

#### B Producer Eligibility

For the 2008 crop year, MAL's and LDP's are available to eligible producers according to 8-LP, paragraph 100.

#### C Commodity Eligibility

Eligible loan commodities **must** have been produced by an eligible producer on a farm (see 8-LP, Part 2 for policy).

The following commodities are eligible for 2008 crop year MAL's and LDP's:

- barley
- canola
- corn
- crambe
- dry peas
- flaxseed
- graded wool
- grain sorghum
- honey
- lentils
- mohair
- mustard seed
- non-graded wool
- oats
- rapeseed
- rice
- safflower
- sesame seed
- small chickpeas
- soybeans
- sunflower seed
- wheat.

Hay, silage, and unshorn pelts derived from the eligible loan commodities are eligible for LDP, but **not** for MAL's.

#### D Beneficial Interest Requirement

Beneficial interest policy for the 2008 crop year will remain the same as current policy (see 8-LP, subparagraph 129).

**2 General 2008 MAL and LDP Policies (Continued)**

**E Excess Moisture Commodities**

Eligible loan commodities that exceed the applicable standard moisture levels according to 2-LP Grains and Oilseeds, but are at or below the STC acceptable levels, are eligible for MAL's and LDP's.

The loan quantities **must** be adjusted to the maximum eligible level according to 2-LP Grains and Oilseeds, for the applicable commodity to determine the eligible quantity for loan.

**F Payment Limitation**

There is a combined \$75,000 payment limitation for marketing loan gains and LDP's for the following:

- barley
- corn
- dry peas
- grain sorghum
- lentils
- oats
- minor oilseeds (crambe, sesame seed, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed)
- rice
- small chickpeas
- soybeans
- wheat.

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### 2 General 2008 MAL and LDP Policies (Continued)

#### F Payment Limitation (Continued)

There is a separate combined \$75,000 payment limitation for marketing loan gains and LDP's for the following:

- graded and non-graded wool
- honey
- mohair
- peanuts
- unshorn pelts.

#### G Recourse Loans for High Moisture Feed Grains

2008 crop recourse loans are available for high moisture corn and grain sorghum (see 8-LP, Part 4, Section 4 for recourse loan policy).

#### H GRAZE-OUT Payments

GRAZE-OUT payments instead of LDP's for the 2008 crop year are available to eligible producers who:

- elect to use acreage planted to, barley, oats, triticale, or wheat for the grazing by livestock
- agree to forgo any other harvesting of the commodity on this acreage during the crop year.

#### I 2008 Loan Rates

The 2008 crop loan rates will be posted to the Internet, Intranet, and PSD web site on June 6, 2008.

State and County Offices may print loan rates as applicable to their States and counties using the web site at [www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=lor](http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=lor).

#### J 2008 Premiums and Discounts

The 2008 crop premiums and discounts for wheat, barley, and oats will be broadcast on Friday, June 6, 2008.

The remaining premiums and discounts will be released the week of June 16, 2008, in Release No. 643.

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### 3 Action

#### A State Office Action

State Offices shall publicize the contents of this notice to the maximum extent possible.

#### B County Office Action

County Offices shall:

- immediately administer 2008 crop MAL's and LDP's for all eligible commodities, **except** cotton and peanuts
- continue to follow 8-LP and this notice for assistance in administering 2008 crop MAL's and LDP's
- use every available resource to inform producers and farm organizations of the content of this notice.