

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice LP-2283**

**For:** State and County Offices

**Reviewing COC Maximum Established Yields**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

Annually, COC's must establish reasonable maximum yields for price support loan commodities grown in the county. For each commodity, COC must:

- document the beginning of harvest
- determine the maximum yield based on crop and weather conditions in the county
- ensure yields provided by the producer are reasonable.

Documentation of these items must be recorded in the COC minutes. Additionally, a 3 to 5 year average of NASS yields could be used as a guide when establishing yields.

State Offices must review COC yields to determine reasonableness. It is helpful to compare yields across the State or within specific regions to determine if adjustments are necessary.

The Loan and LDP Program Administration System (LPAS) is the system used to record COC maximum established yields and other administrative information for loans and LDP's. Step-by-step instructions to record COC established yields in LPAS are found in 17-PS. Training for LPAS is also posted on the DAFP training site at <https://inside.fsa.usda.gov/program-areas/dafp/dafp-training/index>.

Disposal Date	Distribution
April 1, 2024 4-25-23	State Offices; State Offices relay to County Offices

## Notice LP-2283

### 1 Overview (Continued)

#### B Purpose

This notice:

- provides guidance to ensure that yields are properly determined and documented **before** being loaded in LPAS
- informs State Office specialists of tools available to review loaded yields.

#### C Contact

State Offices must direct questions to the applicable contact according to this table.

IF the question is about...	THEN contact...
MAL and LDP policy questions or teams channel issues	Shayla Watson by either: <ul style="list-style-type: none"><li>• e-mail to <a href="mailto:shayla.watson@usda.gov">shayla.watson@usda.gov</a></li><li>• telephone/voice at 202-690-2350.</li></ul>
	Keitha Henderson by either: <ul style="list-style-type: none"><li>• e-mail to <a href="mailto:keitha.henderson@usda.gov">keitha.henderson@usda.gov</a></li><li>• telephone/voice at 202-690-0794.</li></ul>
LPAS or other automated related issue	Paige Valdivia by either: <ul style="list-style-type: none"><li>• e-mail to <a href="mailto:paige.valdivia@usda.gov">paige.valdivia@usda.gov</a></li><li>• telephone/voice through MS Teams.</li></ul>
	G. B. Washburn by either: <ul style="list-style-type: none"><li>• e-mail to <a href="mailto:gordon.washburn@usda.gov">gordon.washburn@usda.gov</a></li><li>• telephone/voice through MS Teams.</li></ul>

## 2 Review of COC Yields

### A Reasonableness

It is important that properly established yields are determined on an annual basis. While COC-set yields do not ensure that the commodity was produced, they establish a guide for production reasonableness. A reasonableness check using yields established by COC, according to 8-LP, must be completed for loans and LDP's to ensure the quantity of the commodity was produced by the producer.

Weather conditions can greatly affect commodity yields. After weather-related disasters or other events that may affect a growing season, COC may consider evaluating local yields. The weather event or condition must be documented in the COC minutes to support the rationale.

The yields assigned by COC must **not** exceed the actual yield for farms in the area with similar management practices that harvested the crop and variety for commodity.

### B Reviewing Questionable or Commingled Production

For quantity offered for loan or LDP that exceeds COC maximum established yield by:

- up to 10 percent:
  - producer must provide a statement of reasonableness considering for things such as farming practices and prior year's production
  - CED will make a determination to approve or deny the request based on their knowledge and current yields in the area

**Note:** Approvals must be documented in the loan or LDP file. Denials will automatically be referred to COC.
- more than 10 percent:
  - producer must provide a statement of reasonableness considering for things such as farming practices and prior year's production
  - COC will make a determination to approve or deny the request based on comparable yields and farming practices in the area.

## 2 Review of COC Yields (Continued)

### B Reviewing Questionable or Commingled Production (Continued)

**Notes:** The decision must be documented in the loan or LDP file, according to this note, and in the COC minutes. Statement of reasonableness from producer shall be attached to applicable CCC-666 or CCC-633 EZ.

If COC denies the request, send the notification letter found in 8-LP, Exhibit 11, subparagraph L to the producer. Revise the letter to meet the specific circumstances and provide the producer appeal rights.

Using yields from other producers' farms is not permitted.

### C STC Spot-check of Yields

Annually, STC, or STC designee, must spot-check:

- 25 percent of COC-determined reasonable estimate of yields for each commodity
- COC-determined yields established for producers harvesting commodities as other than grain.

### D Additional Yield or Reasonable Quantity Guidance

Additional guidance is provided in 8-LP for the following:

- dual purpose grain sorghum
- GRAZE-OUT Program commodities
- wool and mohair
- commodities harvested as other than grain
- individual yields.

**Note:** COC maximum established yields can be updated on an individual basis. The process to override yields are reserved for specific situations and should only be used when justification can be provided by a producer. Refer to 17-PS, subparagraph 807 for loading COC override yields in Reasonable Quantity Management System (RQMS).

2-LP Honey provides loan quantity determination for honey.

## 2 Review of COC Yields (Continued)

### E LPAS and Monthly Yields Report

Follow procedure in 17-PS to view yields entered in the system. Users can view yields by crop year.

A monthly report has been developed by PDD and will be posted in the MAL/LDP State Specialists Teams Channel. State Office specialists may use this report to review yields entered in LPAS.

The report includes the following data:

- crop year
- State
- county
- commodity
- commodity class
- quantity unit of measure
- weight unit of measure
- yield
- practice (irrigated, non-irrigated)
- status (pending, approved).

**Note:** When reviewing the report, ensure the proper unit of measure is used for commodity.

### **3 Action**

#### **A State Office Action**

State Offices will ensure:

- County Offices are notified of the contents of this notice
- the report is distributed to County Offices
- County Office employees follow 8-LP and 17-PS when loading and approving COC established yields in LPAS
- yields that range outside of typical norms are identified and discussed for COC determination
- STC or designee has proper information to spot-check yields annually
- consult with National Office if a violation has been determined as the result of yield updates or revision.

#### **B County Office Action**

County Offices will:

- ensure yields and harvest conditions are documented in COC minutes per 8-LP
- review the yield report generated by PDD distributed from the State Office
- ensure all COC yields have been properly loaded and approved
- work with the State Office to determine if yield revisions are needed as a result of annual spot-checks
- notify the State Office if yields are revised for reasonableness, and potential over-disbursements are discovered for disbursed loans.