

For: State and County Offices

Reconciling 2005 Crop Year eLDP Denied Market Gains

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

A denied market gain is defined as the amount of market gain or LDP amount determined ineligible because of 1 of the following conditions:

- percent of cropland or permitted entity share factor is less than 1.0
- maximum payment limitation has been exceeded.

Notice PS-540 was issued to provide County Offices with instructions for printing denied market gain reports for eLDP's.

B Purpose

This notice informs State and County Offices of instructions for the following:

- researching and documenting reasons for denied market gains on eLDP's
- corrective actions when a producer was erroneously denied market gain
- reporting completion of 2005 crop year denied market gain reconciliation for eLDP's.

C Contact

If there are questions or situations not addressed in this notice, State Offices shall contact Laura Schlote, PSD, by either of the following:

- telephone at 202-720-7785
- e-mail at **Laura.Schlote@wdc.usda.gov**.

Disposal Date	Distribution
December 1, 2006	State Offices; State Offices relay to County Offices

Notice PS-543

2 Printing Denied Market Gain Reports

A Denied Market Gain Reports

County Offices shall:

- access the eLDP web site according to 15-PS, paragraph 203
- print eLDP denied market gain reports from the Application Reports function according to Notice PS-540 for the 2005 crop year.

Note: eLDP applications with an “X” under the “Corr Ind” column indicate a correction has been made. Future software enhancements will remove corrected eLDP’s from the denied market gain reports.

3 Potential Reasons for Erroneously Denied Market Gains

A Denied Market Gain Because of a Payment Limitation Amount (PLM) in eLDP Profile

When a customer’s eLDP profile was initially established according to 15-PS, Part 2, Section 2, eLDP payment limitation allocation amounts were entered.

Each time an eLDP application is paid, PLM will be reduced by the amount being paid. When the PLM allocation available is less than the pending payment, a denied market gain for the difference will be displayed on the Application Summary Screen.

Example: A customer profile was initially established with a “regular” PLM of \$20,000. The producer has been issued eLDP’s totaling \$15,000. The available PLM is \$5,000. The producer has a pending application for \$6,000. If the payment is made without a change to the customer profile’s PLM, then the application will indicate a denied market gain of \$1,000. If the producer is eligible for the entire \$6,000, then the County Office must first change the customer profile to increase the maximum PLM according to 15-PS, subparagraph 252 B before the application can be processed.

Note: County Offices shall follow Notice PS-532 when modifying eLDP profiles for multi-county producers.

Notice PS-543

3 Potential Reasons for Erroneously Denied Market Gains (Continued)

B Denied Market Gain Because of the Combined Share Factor of Less than 1.000

When creating an eLDP profile, the eLDP software will read the web eligibility system. If any of the eligibility validations result in a cropland factor and/or the combined permitted entity/adjusted gross income (AGI) factor of less than 1.000, then a denied market gain will be indicated on the Application Summary Screen.

eLDP profiles for entities (i.e. corporations and trusts) that were established with a “Combined AGI Share” of less than 1.000 will result in a proportionate denied market gain. This is a result of an invalid web eligibility validation for 1 or more members of the entity.

Note: See 3-PL, Part 3 for an explanation for specific producer eligibility information.

4 Valid Denied Market Gains

A Denied Market Gains

Applications listed on the eLDP denied market gain report require no action when the benefit is denied for valid eligibility reasons. Reasons may include, but are not limited to the following:

- limitation has been reached for either regular or other price support payment limitation
- 1 or more member of a joint venture or partnership has reached payment limit.

5 Correcting Erroneously Denied Market Gains

A County Office Action

15-PS, paragraph 600 states that County Offices shall process corrections when incorrect quantities or data was entered in the online application by the producer based on information established in the customer profile, and not discovered until eLDP was submitted to the certification site for approval.

eLDP's with an erroneously denied market gain **must** be deleted and re-entered with the correct information according to 15-PS, paragraph 600.

County Offices shall **not** issue an additional eLDP to simply “make up the difference” when eLDP was issued with an erroneously denied market gain.

Notice PS-543

5 Correcting Erroneously Denied Market Gains (Continued)

A County Office Action (Continued)

County Offices shall:

- print the denied market gain report according to subparagraph 2 A
- correct any erroneously denied market gain no later than March 31, 2006.

After all erroneously denied market gains have been corrected, County Offices shall:

- print an updated copy of the denied market gain report
- document valid denied market gains on the report
- indicate any unresolved erroneously denied market gains on the report
- submit the updated eLDP denied market gain report, with documentation, to the State Office by March 31, 2006.

B State Office Action

State Offices shall:

- assist County Offices in resolving all erroneously denied market gains
- submit a summary of unresolved denied market gains to the National Office no later than April 7, 2006.

The State Office report shall include:

- the producer ID
- an explanation of the erroneously denied market gain.