

For: State and County Offices

**Correcting Disbursed 2007 Farm-Stored Soybean Loans
When Moisture Level Is Between 13.1 and 14.0 Percent**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

8-LP:

- subparagraph 422 B states that farm-stored commodity loans will have the loan rate adjusted based on low test weight
- subparagraph 430 C states that when the commodity exceeds standard moisture, the quantity is adjusted, not the loan rate.

A problem has been discovered as the APSS software is incorrectly adjusting the **loan rate** when moisture is recorded between 13.1 and 14.0 percent for farm-stored soybeans.

Note: The problem exists for both certified and measured loans.

There is a potential for 2007 crop year soybean loans to have been disbursed with an incorrect loan rate. A loan disbursed with an incorrect loan rate is considered by OMB to be an improper payment.

OMB defines an improper payment as any payment that should not have been issued, but was issued in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include both overpayments and underpayments.

The Improper Payments Information Act of 2002 requires Federal agencies to evaluate programs to determine whether internal controls are sufficient to prevent issuing improper payments.

Marketing assistance loans disbursed with an incorrect loan rate must be corrected regardless of the status of the loan.

Disposal Date	Distribution
July 1, 2008	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B Purpose

This notice informs and provides instructions to State and County Offices for reviewing and correcting 2007 farm-stored soybean loans.

C Contact

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

- e-mail at laura.schlote@wdc.usda.gov
- telephone at 202-720-7785.

2 Reviewing and Correcting 2007 Farm-Stored Soybean Loans

A Action

Until APSS software can be corrected, County Offices shall review and correct 2007 **disbursed** farm-stored soybean loans according to this table.

Step	Action
1	Review the loan rate printed on all 2007 soybean farm-stored CCC-677's.
2	Document applicable findings in the COC minutes by COB February 29, 2008. Note: Negative findings shall also be documented.
3	Correct soybean loans with an incorrect loan rate according to 12-PS, Part 11, Section 1. Note: A receivable will be established for the original loan principal.
4	Re-enter loans according to 12-PS, Part 11, Section 2. Note: A 90,000 series loan number shall be used. <div style="border: 1px solid black; padding: 10px; margin: 10px auto; width: fit-content;"> <pre style="font-family: monospace; font-size: 0.8em;"> 057-ESSEX PCA11000 PRICE SUPPORT - ID ENTRY Version: AD86 12-31-07 15:50 Term H5 ----- Enter Producer's Last Name or Producer's ID (Numeric) and (Optional) Type (S, I, or E) .. Crop Year 07 Loan/LDP Number 90001 (nnnnn) Press "Enter" To Continue Cmd3=Previous Menu Cmd7=End Of Job </pre> </div>

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2 Reviewing and Correcting 2007 Farm-Stored Soybean Loans (Continued)

A Action (Continued)

Step	Action
5	<p>On Screen PCA12000, County Offices shall ensure that “Y” is entered for the following questions:</p> <ul style="list-style-type: none"> • Is this a recording of a manually made action? • Is this the re-entry of a corrected loan? <div data-bbox="457 571 1377 1094" style="border: 1px solid black; padding: 5px;"> <pre> 057-ESSEX PCA12000 PRICE SUPPORT - VERIFY CHOSEN PRODUCER Version: AD66 12-31-07 15:54 Term H5 ----- Producer's Last Name SMITH Producer's [REDACTED] S Crop Year 07 Loan/LDP Number 90001 Producer's Name (First Middle Last Suffix) A B SMITH Producer's Address GENERAL DELIVERY CARET, VA. 22436-9999 Is this the correct producer? (Y or N) Y Is this a recording of a manually made action? (Y or N) Y Is this the re-entry of a corrected loan? (Y or N) Y Enter crop year and loan number of original loan (YYNNNNN) _ _ _ _ _ Cmd2=Return To ID Entry Screen Cmd3=Previous Menu Cmd7=End Of Job </pre> </div> <p>Enter the crop year and loan number of the original loan, and PRESS “Enter”.</p>
6	<p>For:</p> <ul style="list-style-type: none"> • farm-stored measured loans, ENTER “13.0” as the percent moisture even if the actual moisture is between 13.1 and 14.0 percent on Screen PLB12000 <div data-bbox="457 1352 1377 1856" style="border: 1px solid black; padding: 5px;"> <pre> 057-ESSEX PLB12000 PRICE SUPPORT - LOAN MAKING Version: AD66 12-31-07 15:56 Term H5 ----- A B SMITH CY 07 LOAN# 90001 COMM SOYA Complete the measurement information for this Seal Number (Number is preassigned by the system, enter new number to manually assign). _ _ . 1 Farm Number Where Stored (If applicable) _ _ _ _ _ Measurement Date (MMDDYY) _ _ _ _ _ Length _ _ _ _ _ Cubic Foot Deduction Height _ _ _ _ _ Width Diameter _ _ _ _ _ or Circumference Test Weight _ _ _ _ _ Cone Height Cone Diameter _ _ _ _ _ Cone Depth Moisture _ _ _ _ _ Intention to dry? For an additional quantity NOT included in the above measurements, enter the Cubic Feet of the additional quantity _ _ _ _ _ If a measurement is not used, enter the Weighed Quantity _ _ _ _ _ Press "Enter" To Continue Cmd3=Previous Screen Cmd7=End Of Job </pre> </div>

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2 Reviewing and Correcting 2007 Farm-Stored Soybean Loans (Continued)

A Action (Continued)

Step	Action
<p>6 (Cntd)</p>	<ul style="list-style-type: none"> farm-stored certified loans, leave the “Moisture” field blank even if the actual moisture is between 13.1 and 14.0 percent on Screen PLB11000. <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <pre> 057-ESSEX PLB11000 PRICE SUPPORT - LOAN MAKING Version: AD66 01-04-08 14:38 Term H5 ----- S E THOMAS & SONS CY 07 LOAN# 1 COMM SOYA Complete the following information for this Bin: Seal Number _ _ _ 1 (This number has been preassigned by the system, enter new number to manually assign.) Farm Number Where Stored (If available) Quantity In Bin (Numeric) Test Weight Moisture Intention to dry? Press "Enter" To Continue Cmd3=Previous Screen Cmd7=End Of Job </pre> </div>
7	Offset corrected loan proceeds against the receivable that was established when the original loan was corrected.
8	Disburse additional loan proceeds.
9	Re-enter applicable repayments according to 12-PS, paragraph 1119.

3 Future 2007 Farm-Stored Soybean Loans

A Measured Loans

Until software can be corrected, County Offices shall ENTER “13.0” on Screen PLB12000 when the moisture was determined to be between 13.1 and 14.0 percent.

B Certified Loans

Until software can be corrected, County Offices shall leave the “Moisture” field blank on Screen PLB11000 for all farm-stored certified loans.