

For: State and County Offices, Grain, Rice, Oilseed and Peanut CMA's, Peanut DMA's

2006 and Subsequent Crop Year LDP Rate Determinations

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Producers must submit CCC-633 EZ to request LDP benefits. LDP rates for completed CCC-633 EZ's submitted by eligible producers are based on the data entered in:

- CCC-633 EZ, page 2, items 22 and 23 for all eligible commodities except cotton, wool, mohair, and unshorn pelts
- CCC-633 EZ, page 3, item 38 for cotton
- CCC-633 EZ, page 4, items 68 and 69 for wool and mohair
- CCC-633 EZ, page 4, item 77 for unshorn pelts.

The policy for determining the LDP rate when the "date of delivery" or "date beneficial interest is lost" is entered on CCC-633 EZ has changed. Policy for determining the LDP rate for stored commodities remains unchanged.

B Purpose

This notice informs State and County Offices of the new policy for determining the LDP rate in effect in the county where the commodity is marketed, stored, fed, or delivered.

C Contact

If there are questions about this notice, State Offices shall contact Kimberly Graham by either of the following:

- by e-mail at **kimberly.graham@wdc.usda.gov**
- telephone at 202-720-9154.

Disposal Date	Distribution
June 1, 2007	State Offices; State Offices relay to County Offices

Notice LP-2036

2 LDP Rates

A General Guidance for Determining LDP Rates

7 CFR 1421.201(b)(3) was amended to read, "For 2006 and subsequent crop years, the loan deficiency payment rate in effect in the county where the commodity was marketed or stored on the date: (i) the request for benefits is received in the FSA Service Center, if the producer retains beneficial interest in the quantity on that date . (ii) beneficial interest was lost, as determined by CCC and as provided in §§1421.6 and 1421.13, if on the date the request for benefits was received in the FSA Service Center the producer no longer has beneficial interest in the requested quantity."

LDP rates and amounts shall be calculated according to the following table.

IF CCC-633 EZ, page 2 or 4 is submitted as applicable and...	THEN the LDP benefit is based on the requested quantity times the LDP rate in effect in the county where the commodity...
the producer retains beneficial interest in the requested quantity	is stored on the date of the request.
beneficial interest has been lost in the requested quantity (CCC-633 EZ, page 2, 3, or 4 was submitted after beneficial interest was lost)	was physically stored or delivered when beneficial interest was determined lost (marketed, stored, fed, used for seed, slaughtered for personal use, or sold) on the date beneficial interest was lost.

B LDP Rates for Fed Commodities

Unless an LDP is requested on the commodity before the commodity being fed, the LDP rate is the rate in effect on the date the grain is fed in the county where fed. Documentation must be provided by the producer as to the date and quantity fed. COC shall review the request and verify that feeding dates and quantities are reasonable before approving LDP's. COC can request additional documentation, such as feeding records or seed receipts, to assist in determining reasonableness.

C LDP Rates for Unshorn Lambs Slaughtered for Personal Use

The LDP rate for unshorn lambs slaughtered for personal use is the rate in effect on the date the unshorn lamb is slaughtered. Before approving LDP requests, COC shall review requests for reasonableness based on the following, to the satisfaction of COC:

- herd/flock size
- production evidence
- feeding records/receipts
- normal business practice of producer
- general COC knowledge.

2 LDP Rates (Continued)

D Policy for CMA's

Producers who deliver commodities to approved grain, rice, peanut, mohair, and oilseed CMA's under marketing agreement that states that CMA takes title, do not lose beneficial in the commodity. CMA assumes beneficial interest. For CMA's requesting LDP's from the service County Office, service County Offices shall administer the LDP rate determination provisions as if CMA is the producer. This means that the LDP rate depends upon whether CMA has retained beneficial interest or has lost it.

E Policy for DMA's

Because peanut DMA's make LDP's to individual producers, DMA's shall administer LDP rate determination provisions in the same manner as an FSA County Office as provided in this notice. DMA service County Offices do **not** make the determination.