

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

**2008 Crop Adjusted Gross Income (AGI) Provision for
Marketing Assistance Loans (MAL's) and Loan Deficiency Payments (LDP's)**

Approved by: Deputy Administrator, Farm Programs



1 AGI Provision

A Background

The Farm Security and Rural Investment Act of 2002 implemented the \$2.5 million average AGI limitation. The effective period of the \$2.5 million AGI limitation was 2003 through 2007 crop years.

The Food, Conservation, and Energy Act of 2008 (2008 Act) continued the administration of the \$2.5 million AGI limitation for all 2008 crop, program, or fiscal year commodity and conservation programs.

Notice PL-174 provided:

- 2008 crop AGI policy
- revised CCC-526.

B Purpose

This notice provides information and instructions for 2008 crop AGI provisions for MAL's and LDP's.

Disposal Date	Distribution
June 1, 2009	State Offices; State Offices relay to County Offices and FAX to CMA's and DMA's

Notice LP-2096

1 AGI Provision (Continued)

C 2008 AGI Certification

For 2008 crop LDP's, eLDP's, marketing loan gains requested **after** May 21, 2008, a producer must file a 2008 AGI certification by completing CCC-526 (**dated 6-12-2008**) prepared according to Notice PL-174. However, producers participating in the 2008 DCP program, by acknowledging receiving CCC-509 Appendix (**dated 6-20-2008**), certify that there has not been a material change in the producer's AGI that would affect eligibility. Therefore, the certification on CCC509, prepared according to Notice DCP-188 may be used instead of CCC-526.

Note: AGI certification is not required for commodity loanmaking, loan repayments at principal plus interest, or certificate exchange gains.

D County Office Action

County Offices shall:

- advise producers, CMA's, DMA's, and LSA's of the contents of this notice
- use either the revised version of CCC-526 (**dated 6-12-2008**) or CCC-509 (**dated 6-20-2008**) for new AGI certifications for benefits received **after** May 21, 2008, as applicable
- verify the status of the AGI certification since the AGI flags were rolled over to "OK" for the 2008 crop year.

E CMA, DMA, and LSA Action

CMA's, DMA's, and LSA's shall ensure that the administrative FSA County Office has a 2008 AGI certification on file for the producer before requesting LDP or marketing loan gain.