

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

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**Marketing Assistance Loans and Loan Deficiency  
Payments for 2008 and Subsequent Crop Years  
8-LP (Revision 2)**

**Amendment 7**

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



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**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 200 A has been amended to clarify the acreage report requirement.

Subparagraph 201 A has been amended to add additional clarification on ineligible producers for the acreage reporting requirement.

Subparagraph 202 A has been amended to add additional clarification on producers owing tax debt to IRS and MAL/LDP eligibility.

Subparagraph 205 B has been amended to clarify that loans and LDP's shall **not** be disbursed to deceased individuals using TIN, including loans or LDP's to joint ventures and general partnerships with deceased members where the entity is paid, but a deceased member's TIN is recorded as an entity member.

Subparagraph 206 A has been amended to remove the statement that an example of CCC-664 is in subparagraph C. CCC-664 is being revised and will be inserted in subparagraph C when the revision is complete.

Subparagraph 509 A has been amended to clarify the disbursement of loan proceeds to producers and lienholders.

Subparagraph 700 C has been amended to add additional references for procedure on dishonored checks.

Paragraph 702 has been amended to clarify the correct procedure for handling dishonored checks.

Subparagraph 719 B has been amended to update the correct FI directives for handling refunds of overpayments on loans.

Subparagraphs 745 H and 747 A have been amended to add additional references for procedure on dishonored checks.

## Amendment Transmittal (Continued)

### A Reasons for Amendment (Continued)

Subparagraph 785 H has been amended to correct the terminal market reference.

Subparagraph 801 B, item 16 has been amended to clarify that producers will initially be given 15 calendar days to deliver loan collateral to CCC on CCC-691, and that under extenuating circumstances, an additional 15 calendar days may be granted.

Subparagraph 803 B has been amended to clarify policy on extending the expiration date of CCC-691.

Subparagraphs 856 A has been amended to clarify that farm-stored nonrecourse loans may be settled through the local sales option if it is not cost effective to pay excess haul.

Subparagraph 857 B has been amended to clarify that CCC-691 only applies to nonrecourse loans.

Subparagraphs 861 D has been amended to correct the handbook reference and program code for depositing local sales proceeds for nonrecourse loans in NRRS.

Subparagraph 900 A has been amended to update the Web address for offer shipping rate tables.

Exhibit 2 has been amended to clarify that producers owing tax debt to IRS are eligible for MAL or LDP as long as all other eligibility and program requirements are met.

Exhibit 13 has been amended to:

- add additional companies and varieties in subparagraphs D and E
- delete some varieties from subparagraph E
- change a company name in subparagraph F
- delete a duplicate variety from subparagraph H.

Exhibit 15 has been amended to add a note in subparagraph C, item 31 clarifying that the producer's initials and date are **not** needed on CCC-677-1 for spot checks.

**Amendment Transmittal (Continued)**

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	2-1 through 2-6 2-11 through 2-50 5-27, 5-28 7-1, 7-2 7-7 through 7-28 7-43, 7-44 7-103, 7-104 7-109 through 7-150 7-175, 7-176 8-5, 8-6 8-9, 8-10 8-129 through 8-132 8-143, 8-144 9-1, 9-2 10-39 through 10-60	2, pages 3, 4 13, pages 1-6 pages 9, 10 pages 13, 14 15, pages 5, 6



## Part 2 Common Loan and LDP Provisions

### Section 1 Producer Eligibility

#### 200 Eligible Producers

##### A Definition of Eligible Producer

[7 CFR 1421.4] Eligible producer means a person or legal entity that:

- has complied with annual program requirements including:
  - \*--reporting acreage for **all** cropland on all farms according to 2-CP--\*

**Note:** Acreage reports must be obtained for the specific commodity on the farm **before** MAL disbursements and LDP benefits are received for that specific commodity. Acreage reports for the balance of the farm's cropland **must** be filed before the final acreage reporting date or a late acreage report filed, according to 2-CP. Failure to report all cropland on a farm shall be considered noncompliance with program requirements and considered a violation according to 2-CP, Part 2.

- completing AD-1026 according to 6-CP
- completing CCC-931 according to 4-PL and applicable PL directives

**Notes:** CCC-931 is not needed on file at **loan** disbursement, but is required before the loan is repaid with a marketing loan gain.

For the 2012 crop year, CCC-931 must **not** be a version dated before 12-7-11.

A valid AGI certification is on file according to 4-PL, Part 6 for each applicable crop year.

- completing applicable CCC-902 according to 4-PL

**Note:** CCC-902 is required for foreign person determination on both loans and LDP's. See subparagraph 203 A.

- has a beneficial interest in the eligible commodity for which a loan or LDP is requested
- shares in the risk of producing the applicable commodity.

**200 Eligible Producers (Continued)****A Definition of Eligible Producer (Continued)**

The person or legal entity may be any of the following:

- landowner
- landlord or waterlord
- tenant
- sharecropper.

**Exception:** For 2009-2012 crops, States, local Governments, political subdivisions, and agencies thereof are **not** eligible for loans, market loan gains, or LDP's.

Legal entity means the entity either:

- owns land or an agricultural commodity, product, or livestock
- produces an agricultural commodity, product, or livestock.

**B Company or Other Legal Entity**

An eligible producer may be an irrigation company or other legal entity that provides **all or part** of the following that are necessary to produce and harvest a crop:

- equipment
- labor
- land
- water.

**C Estates and Trusts**

An eligible producer may be an estate or trust, including any of the following:

- receiver of an insolvent debtor's estate
- executor or an administrator of a decedent's estate
- guardian of any of the following:
  - an estate
  - a ward
  - an incompetent person
- trustees of a trust estate, if their representative authority is legally valid (1-CM).

**200 Eligible Producers (Continued)****D Minors**

A minor may be an eligible producer; however, signature requirements in 1-CM **must** be met.

**E Heirs of Deceased Producer**

An eligible producer may be an heir of a deceased producer, whether succession of interest occurs before or after harvest, when **all** of the following apply:

- succeeds to the beneficial interest of the deceased in the commodity, including purchase from other heirs
- assumes the decedent's obligation under a loan if a loan has already been obtained
- for farm-stored loans, ensures that safe storage continues
- completes CCC-686, according to paragraph 205, when the heirs want to obtain or assume a loan and either of the following applies:
  - there will be no administration or probate of the estate
  - administration or probate of the estate is closed.

**F Hybrid Seed Contract Producer Eligibility**

When determining if a producer under a hybrid seed contract is eligible for MAL or LDP, the County Offices shall **not** take into consideration existing hybrid seed contracts when determining beneficial interest eligibility. However, all other MAL and LDP program requirements are applicable.

**Note:** The contract **must**:

- specify that it is a hybrid seed contract
- be for an eligible loan commodity.

## 201 Ineligible Producers

### A Ineligibility

Ineligible producers are producers who:

- \*--have **not** reported acreage for all cropland on all farms for the current crop year--\* according to 2-CP

**Note:** Acreage reports must be obtained for the specific commodity on the farm **before** MAL disbursements and LDP benefits are received for that specific commodity. Acreage reports for the balance of the farm's cropland **must** be filed before the final acreage reporting date or a late acreage report filed, according to 2-CP. Failure to report all cropland on a farm shall be considered noncompliance with program requirements and considered a violation according to 2-CP, Part 2.

- violate WC and HELC provisions according to 6-CP
- have **not** complied with applicable program requirements
- are convicted under Federal or State law of a controlled substance violation according to 1-CM
- have a delinquent nontax debt to the Federal Government according to paragraph 202
- violate FCIC provisions as determined by FCIC.



202 Delinquent Federal Nontax Debtors

A DCIA Rule

DCIA mandated a new eligibility requirement for persons seeking Federal financial assistance. DCIA provides that a person owing a delinquent Federal nontax debt to the Federal Government is ineligible for Federal financial assistance, including direct loans (other than disaster loans), loan insurance, or guarantees.

This table provides action that County Offices shall take when a producer is a delinquent Federal nontax debtor.

IF the...	THEN...
delinquent Federal nontax debt has been resolved before the final loan availability date	use the rate in effect on the day the original MAL or LDP request was made.
producer certifies that he or she has an unresolved delinquent Federal nontax debt	hold the request until the final loan availability date and if the producer does <b>not</b> resolve the delinquent Federal nontax debt before the final loan availability date, immediately notify the producer that he or she is ineligible and the request is disapproved.

**Notes:** See 58-FI for alternate methods for resolving delinquent Federal nontax debts.

See subparagraphs E and F for additional information about DCIA.

For barring delinquent debtors from obtaining Federal financial assistance purposes, a debt is **not** in delinquent status if the debtor is the subject of, or has been discharged in, a bankruptcy proceeding. Producers with an unresolved delinquent Federal nontax debt **are** considered eligible to receive MAL or LDP if the unresolved delinquent Federal nontax debt is the subject of a bankruptcy proceeding.

\*--Producers owing tax debt to IRS are still eligible for MAL or LDP as long as all other eligibility and program requirements are met. See subparagraph 505 A for MAL's.--\*

**202 Delinquent Federal Nontax Debtor (Continued)****B MAL's or LDP's Issued Before a Delinquent Federal Nontax Debt Is Discovered**

If it is discovered, after MAL or LDP is issued, that the producer has a Federal nontax debt that becomes delinquent, the County Office shall:

- notify the producer that the delinquent Federal nontax debt **must** be resolved **before** the final loan availability date
- discuss, with the producer, alternatives to resolve the delinquent Federal nontax debt
- inform the producer that, if MAL was obtained and the delinquent Federal nontax debt is **not** resolved **before** the final loan availability date, MAL **must** be immediately called and **must** be repaid at principal plus interest
- inform the producer that, if LDP was received and the delinquent Federal nontax debt is **not** resolved **before** the final loan availability date, LDP **must** be repaid with interest.

**C Producer Incorrectly Certifies to the DCIA Question**

If it is discovered that a producer incorrectly certified to the DCIA question, the County Office **must**:

- immediately notify the producer that the loan is called and **must** be repaid at principal and interest
- follow procedures in Part 4 for MAL or LDP violations.

If the producer has resolved the delinquent debt and COC makes a good faith determination, then MAL or LDP may be disbursed.

**205 Deceased Producers****A Notification to Heirs**

When the County Office learns that a producer is deceased and has outstanding loans, the County Office shall:

- send a certified letter, drafted on the advice of the regional attorney, to the fiduciary representative, heirs, or other persons in charge of settling the estate that notifies them:
  - of the existence of the outstanding CCC loan
  - that the loan is covered by a security agreement or secured by pledged warehouse receipts
- attach a copy of the letter to the loan papers on file in the County Office.

**B Application for Loan or LDP by Heirs**

CCC-686 shall be completed for a deceased producer when:

- heirs want to obtain or continue a loan or request LDP
- there will be no administration or probate of the estate
- administration or probate of the estate is closed.

If CCC-686 has **not** been executed by the appropriate party for a deceased producer who has outstanding loans, the:

- County Office shall immediately notify the State Office
- State Office shall forward notification of deceased producers to the regional attorney for appropriate action.

**\*--Notes:** County Offices shall:

- **not disburse** any MAL's or LDP's using a deceased individual's TIN.
- disburse MAL's or LDP's in TIN of the estate or to other qualifying individuals or entities as reflected on a properly completed and approved CCC-686.

MAL's or LDP's disbursed to joint ventures or general partnerships with a deceased member will be included on the Payments to Individuals Identified as Deceased Report for corrective action.

See 1-CM for additional information on deceased individuals.--\*

**205 Deceased Producers (Continued)**

**C Completing CCC-686**

Complete an original and 1 copy for each person signing CCC-686 according to the following table.

**Note:** Items not listed on this table are self-explanatory.

Item	Instructions
3	Enter current loan number, if applicable.
9 and 10	Enter name, address, and relationship of all persons inheriting the commodity, even though the persons are not related to the deceased.
11 and 12	Enter names and relationship of all persons assuming farming unit, even though the persons are not related to the deceased.
13-16	Enter name of any heir who is a minor or an incompetent. Enter name and address and capacity of the representative of this person.
*--17F	Heirs must answer.
18A-C	Heirs, or representative of heirs, who have inherited the commodity and who are requesting a loan or LDP, must sign CCC-686 and indicate title and date.--*

**D Distributing CCC-686**

Distribute CCC-686 as follows:

- file the original in the County Office
- provide a copy to each person signing CCC-686.

205 Deceased Producers (Continued)

E Example of CCC-686

The following is an example of CCC-686.

\*--

<p><b>This form is available electronically.</b>  <b>CCC-686</b> U.S. DEPARTMENT OF AGRICULTURE                  (09-28-10) Commodity Credit Corporation</p>		<p>1. NAME AND ADDRESS OF COUNTY FSA OFFICE                  Any County FSA Office                  999 Any Road                  Town, ST 99999</p>	
<p><b>APPLICATION FOR LOAN OR LOAN DEFICIENCY                  PAYMENT BY HEIRS</b>                  (On a commodity produced by a person who has died)                   See Page 2 for Privacy Act Statement.</p>		<p>TELEPHONE NO. (Include Area code): 999-999-9999</p>	
		<p>2. ST. &amp; CO. CODES                  99-999</p>	<p>3. APPLICATION NUMBER                  99999</p>
		<p>4. CROP YEAR                  2010</p>	<p>5. COMMODITY                  Corn</p>
<p>6. NAME OF DECEASED PERSON                  Able Farmer</p>	<p>7. DATE OF DEATH                  (MM-DD-YYYY)                  11-09-2010</p>	<p>8. DEATH OCCURRED                  BEFORE HARVEST <input type="checkbox"/> AFTER HARVEST <input checked="" type="checkbox"/></p>	
<p>9. PERSONS INHERITING COMMODITY                  (Name and Address)</p>		<p>10. RELATIONSHIP TO DECEASED</p>	
<p>Imma Farmer, 9999 Any Road, Town, ST 99999</p>		<p>Spouse</p>	
<p>11. NAMES OF PERSONS ASSUMING FARMING UNIT (Include heirs in Item 9)                  (Address if not already listed in Item 9)</p>		<p>12. RELATIONSHIP TO DECEASED OR CAPACITY</p>	
<p>11. NAMES OF PERSONS ASSUMING FARMING UNIT (Include heirs in Item 9)                  (Address if not already listed in Item 9)</p>		<p>12. RELATIONSHIP TO DECEASED OR CAPACITY</p>	
<p>If any person shown in Item 9 or 11 above is a minor or incompetent, furnish the following:</p>			
<p>13. NAME OF MINOR OR INCOMPETENT</p>	<p>14. NATURE OF DISABILITY (if any)</p>	<p>15. REPRESENTATIVE OF PERSON SHOWN IN ITEM 13                  NAME AND ADDRESS</p>	
		<p>16. CAPACITY (Guardian, Custodian, Conservator, Liquidator, etc.)</p>	
<p>17. CERTIFICATONS (To be certified to and by each person shown in Items 9 and 11 or his or her representative shown in Item 15 who is requesting a loan or LDP.)</p>			
<p><b>The undersigned hereby certifies that 1/</b></p> <p>A. The person shown in Item 6 died on the date shown and he or she produced the commodity identified above in the crop year shown.                  B. The decedent and the commodity heir she produced were eligible for loan or LDP and that the persons shown in Item 9 have inherited the decedent's interest in the commodity shown above.                  C. (1) There has not been nor is it contemplated that there will be administration or probate of the estate or (2) administration or probate of the estate is closed.                  D. The persons listed in Items 9, 11, and, if applicable 13, are the only persons who have inherited or otherwise acquired an interest in the commodity and farming unit of the decedent described in this form.                  E. Each of such persons requests (1) a loan be continued or disbursed, or (2) an LDP be made.                  F. Are you or any co-applicant delinquent on any federal non-tax debt? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> (If "YES", provide details):</p>			
<p>18A. Signature (By)                  /s/ Imma Farmer</p>	<p>18B. Title/Relationship of the Individual Signing in the Representative Capacity                  Self</p>	<p>18C. Date (MM-DD-YYYY)                  11-29-2010</p>	
<p>18A. Signature (By)</p>	<p>18B. Title/Relationship of the Individual Signing in the Representative Capacity</p>	<p>18C. Date (MM-DD-YYYY)</p>	
<p>18A. Signature (By)</p>	<p>18B. Title/Relationship of the Individual Signing in the Representative Capacity</p>	<p>18C. Date (MM-DD-YYYY)</p>	
<p>19A. CERTIFICATION OF COUNTY COMMITTEE                  The undersigned certifies that each applicant whose signature appears above has the authority to act in the capacity indicated; that the right of the applicant(s) to file this application was determined in accordance with the regulations of the Department of Agriculture; and that the statements contained herein have been examined and are true and correct to the best of my knowledge and belief.</p>			
<p>19B. FOR THE COUNTY COMMITTEE                  BY /s/ Bill Done</p>			<p>19C. Date (MM-DD-YYYY)                  11-29-2010</p>
<p>1/ Section 15 (a) of the Commodity Credit Corporation Charter Act (62 Stat. 1070) provides a fine of not more than \$10,000 or not more than five years imprisonment for making any statements knowing it to be false for the purpose of influencing the action of the Corporation or of obtaining money under any act applicable to the Corporation.</p>			

--\*

**206 Dissolved Corporations or Partnerships**

**A Assumption of Loans**

If a corporation or partnership is dissolved and an individual stockholder or group of stockholders, or an individual partner or group of partners, wants to assume the commodity loan or loans held by the corporation or partnership, they may do so if **all** stockholders in the corporation or partners in the partnership agree to the assumption on CCC-664. \* \* \*

**B Basic Provisions for Assumptions**

The loan may only be assumed by the stockholders in the corporation or partners in the partnership.

Collateral mortgaged for a single loan shall **not** be split among the stockholders or partners.

All stockholders, or partners, shall sign CCC-664.

**Note:** If all stockholders or partners do **not** sign CCC-664:

- call the loan according to paragraph 865
- contact the regional attorney through the State Office.

Follow 12-PS, Part 11, Section 1 to correct the names of the producers on the loan agreement.

**207-224 (Reserved)**

**508 Loan Maturity Dates**

**A Nonrecourse and Recourse Loans**

[7 CFR 1421.101] Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which the loan is disbursed.

For repledged loans:

- the maturity date shall be the same as the original loan maturity date
- in APSS, enter the approval date of the original loan to establish the proper maturity date for the repledged loan.

Distress loans mature on demand, but no later than 90 calendar days after the date the loan is disbursed. The collateral may be repledged for loan according to paragraph 1221.

**B Nonworkday**

If the maturity date falls on a nonworkday, the maturity date shall be the next workday.

**C Maturity Month Table**

This table shows applicable maturity months. Loans **cannot** be extended.

Month Disbursed/Approved	Maturity Month (Last Day)
June	March
July	April
August	May
September	June
October	July
November	August
December	September
January	October
February	November
March	December
April	January
May	February

**509 Disbursing Loans****A Preparing CCC-677 or CCC-678**

Prepare CCC-677 or CCC-678 in APSS according to 12-PS.

All commodity loans **must** be recorded through APSS and disbursed through NPS. For manual processing when APSS will be unavailable for an extended period of time, State Offices shall contact the National Office.

\*--Disburse loan proceeds to each producer who has a share in the loan after offset, if applicable, unless CCC-679 indicates that the remaining disbursement is to be issued jointly to the lienholder.

After all offsets have been deducted from the loan proceeds as indicated on CCC-679, item 5 (c), disburse the remaining loan proceeds by either of the following methods:

- EFT or check to the producer, if item 5(a) was checked where all lienholders indicate they do not want to be included on the disbursement
- 1 check to the producer and lienholders requesting joint payment in item 5(b) or (c).--\*

**Note:** Loan proceeds are **not** assignable. See 63-FI, paragraph 64.

**B Approving CCC-677's or CCC-678's**

Approve CCC-677 or CCC-678 for CCC when:

- all lien waivers, if applicable, are obtained
- for farm-stored loans, UCC-1's are filed

**Note:** Do **not** delay loan disbursement after UCC-1 has been recorded by the proper official.

- second party review has been completed according to paragraph 234
- CCC-770 MAL has been completed, if applicable
- all required borrowers' signatures are obtained.

When CCC-677 or CCC-678 is approved, the person signing for CCC shall have determined that the producer and the commodity are eligible.

The properly completed CCC-677 or CCC-678 **must** be signed **before** the loan can be approved and disbursed. The disbursement date shall **not** be later than 30 calendar days after the approval date or final loan availability date.

**C Denial Notification**

See paragraph 503 for notifying producers when loan benefits are denied.



**Part 7 Repayments, Releases, and Loan Maturity**

**Section 1 General Provisions**

**700 General Repayment Information**

**A Types of Repayments**

After the date of disbursement, farm-stored and warehouse-stored loans may be repaid at any time during the loan period.

The producer may repay the loan at the lesser of either the following:

- loan principal plus interest
- CCC-determined value under the marketing loan provisions according to Section 2.

**Note:** Marketing loan repayment provisions are **not** applicable to recourse loans.

## 700 General Repayment Information (Continued)

**B Acceptable Forms of Payment**

County Offices shall accept the following forms of payment from producers or buyers as repayment for loans:

- cash
- certified or cashier's checks
- checks issued, at producer's request, payable:
  - solely to CCC
  - to CCC and other applicable lienholders
- checks made payable solely to CCC or the applicable County Office
- checks that include producer's name as 1 of the payees
- money orders
- personal checks from producers or buyers

**Exception:** See subparagraph C for guaranteed remittances.

- wire transfers.

**C Guaranteed Remittances**

To protect CCC's interest, STC, COC, or CED may require guaranteed remittance:

- for **all** repayments
- on a countywide basis
- on a Statewide basis (by **STC only**).
- on an individual basis.

\*--Follow 64-FI for dishonored checks. Concentration banking counties shall also follow 3-FI.  
See paragraph 702.--\*

**701 Personal or Corporate Checks Offered for Release of Collateral**

**A Receiving Uncertified Checks**

If an uncertified, personal, or corporate check is offered for release of loan collateral and repayment of the loan, CED or designee shall use prudent judgment in releasing loan collateral.

**B Restrictions**

County Offices shall **not accept any checks that:**

- **are** postdated
- do not conform to proper business practice
- contain restrictive endorsements on the back of the check
- contain restrictive inscriptions on the front of the check.

If a check is received that contains restrictive language, the County Office shall contact the remitter of the check and follow 3-FI.

Interest will continue to accrue on the loan until an acceptable check is presented.

**702 Notice of Nonpayment or Dishonored Check Received From FSC**

**A Action When Notified by FSC**

\*--When receiving notification from FSC or a bank that a check has been dishonored, County Offices shall immediately:

- notify the State Office Price Support section
- adjust the receivable according to 64-FI and the following table

Step	Action
1	According to 64-FI, in NRRS immediately adjust the dishonored receivable collection, marking it as a dishonored check. This will: <ul style="list-style-type: none"> <li>• reverse all collections associated with the check</li> <li>• reestablish the closed corresponding receivable for the amount of the dishonored check</li> <li>• automatically create a separate dishonored check fee receivable</li> <li>• send a notification letter to the producer of the amount owed.</li> </ul>
2	Deposit any remittances or a replacement check to the receivable.

--\*

**702 Notice of Nonpayment or Dishonored Check Received From FSC (Continued)**

**A Action When Notified by FSC (Continued)**

- \*--for only County Offices using the concentration banking system, follow 3-FI, subparagraph 51 B to request a check through online payments to reimburse the bank. Include the bank service charge in this payment request
  
- spot check the farm-stored commodity, as follows:
  - charge the producer for the expense of the spot check
  - determine whether the commodity has been removed.

**Note:** The receivable shall be adjusted to include the measurement service fee according to 64-FI.--\*

702 Notice of Nonpayment or Dishonored Check Received From FSC (Continued)

**B Action Following Spot Check (Continued)**

\*--After the spot check has been completed, determine the necessary action according to the following.

<b>IF the commodity repaid with the dishonored check has...</b>	<b>THEN...</b>
been removed	<p>according to 64-FI, adjust the receivable to include the fee for measurement service, if it is still owed.</p> <p><b>Note:</b> If the commodity has been entirely removed, a violation may have occurred and liquidated damages may be applicable. A separate receivable will need to be established when COC or STC determine that liquidated damages are owed.</p>
<p><b>not</b> been removed and the producer notifies the County Office in writing that the loan is to revert back to where it was before the repayment</p> <p><b>Note:</b> Producer does <b>not</b> submit a replacement check.</p>	<p>according to 64-FI, adjust the receivable to:</p> <ul style="list-style-type: none"> <li>• add the measurement service fee, if still owed</li> <li>• adjust the loan principal and interest amount on the receivable to "0".</li> </ul> <p><b>Note:</b> Ensure that the dishonored check fee remains on the receivable.</p> <p>NRRS will:</p> <ul style="list-style-type: none"> <li>• send a notification letter to the producer, if an amount is still owed</li> <li>• be used to deposit any remittances for the dishonored check fee and/or measurement service.</li> </ul> <p>According to 12-PS, delete dishonored check repayment in APSS.</p>

--\*

**703 Releasing CCC-677 and CCC-678 After Repayment**

**A Action After Full Repayment**

After full liquidation of the loan through repayment or redemption, return the original copy of CCC-677 or CCC-678, marked “**PAID**”, to the producer after 30 calendar days.

**Note:** When a **guaranteed remittance** has been submitted for full liquidation of the loan and no other repayment using other than guaranteed remittances has been submitted within the last 30 calendar days, the original copy of CCC-677 or CCC-678 may immediately be marked “**PAID**” and returned to the producer.

**B Additional Action for Farm-Stored Loans**

After CCC-677 is released to the producer, according to subparagraph A, prepare and file documents necessary to release financing statement, as applicable, at the producer’s:

- request
- expense, if applicable.

**704-713 (Reserved)**

## 719 Lump-Sum Repayments

### A When to Manually Calculate Lump-Sum Repayments

County Offices shall manually calculate lump-sum repayments **only** when the following situations apply:

- computer is **not** working
- to explain to producers how lump-sum repayments are calculated by APSS and attributed to applicable bins under loan.

**Notes:** Lump-sum repayments are **not** applicable to warehouse-stored loans.

\*--When entering lump-sum repayments into APSS, APSS rounds the quantity to fit the repayment amount. All lump-sum repayments shall be rounded down, so a refund will be generated. APSS and NRRS are unable to hold the small balance to be applied at a later time. Current FI procedure is to be followed for refunding amounts of \$9.99 or less.--\*

### B Applying Lump-Sum Repayment Amounts

Instructions in this table provide how repayment amounts are determined and applied by bin, for **each** bin included on a loan for which a lump-sum repayment is made.

Determine the following amounts, as applicable:

- principal
- interest
- quantity redeemed when a lump-sum repayment is used to repay a partial bin.

**Note:** Repay receivables and overdisbursements first. Apply any remaining amount as a lump-sum repayment.

719 Lump-Sum Repayments (Continued)

B Applying Lump-Sum Repayment Amounts (Continued)

Step	Action		
1	Determine the number of days applicable at each interest rate for the bin being repaid.		
2	Multiply the number of days at each interest rate times the interest rate times the outstanding principal amount for the selected bin divided by 365 calendar days.		
3	Add outstanding principal and calculated interest amounts for the selected bin to determine the payoff amount for the selected bin.		
4	<b>IF the lump-sum amount received is...</b>	<b>AND any remaining amount will be...</b>	<b>THEN...</b>
	equal to or greater than the amount determined in step 3	refunded to the producer or buyer, as applicable	<ul style="list-style-type: none"> <li>• complete the repayment using the amount determined in step 3</li> <li>• prepare a refund according to *--64-FI and other current FI procedure.--*</li> </ul>
		applied to another bin	note the calculated bin repayment amount and go back to step 1 for the next selected bin.
		calculate a liquidation factor according to step 5.	
5	To determine a liquidation factor for the final selected bin; divide the balance of the lump-sum amount received by the amount determined in step 3. Round this factor to 9 decimal places.		
6	Multiply the liquidation factor determined in step 5 by the outstanding quantity for the selected bin. Round any partial unit up to the next whole unit.		
7	Multiply the quantity determined in step 6 by the loan rate for the selected bin to determine the principal amount to be repaid.		
8	Subtract the amount determined in step 7 from the balance of the lump-sum amount received. The difference is the interest amount for the lump-sum repayment.		
9	Complete the repayment and prepare a manual CCC-500 using the total repayment amounts calculated for all bins selected for the lump-sum repayment (see subparagraph C for an example).		



**745 Repayment for Quantity Delivered on CCC-681-1 (Continued)****G Accepting Repayments From Producer**

After CCC-681-1 is issued, County Offices shall accept repayments provided by the producer:

- for loan collateral that:
  - has been or will be delivered to the buyer
  - will not be delivered to the buyer
- although the producer requested loan collateral to be released to a buyer.

See subparagraph C or E, as applicable.

**Note:** County Offices shall **not** endorse any buyer's check to enable the producer to provide a personal check for repaying a commodity loan.

See 3-FI for procedure for when a producer requests CCC's endorsement on a grain buyers check with CCC as payee or joint payee, when none of the grain buyers proceeds are due CCC/FSA.

745 Repayment for Quantity Delivered on CCC-681-1 (Continued)

**H Handling Producer’s Check Before Receiving Buyer’s Check**

When producer provides repayment **before** the buyer’s check is received in the County Office, the County Office shall:

- question the producer to determine whether the repayment is for a quantity delivered to a buyer approved on the pending CCC-681-1
- process the repayment from the producer according to the following.

IF the repayment...	THEN...	
is <b>both</b> of the following:	<ul style="list-style-type: none"> <li>• process the producer’s repayment in the normal manner</li> <li>• hold the <b>buyer’s</b> check, when received.</li> </ul>	
<ul style="list-style-type: none"> <li>• for a quantity already delivered to a buyer</li> <li>• <b>not</b> a guaranteed remittance</li> </ul>	<b>IF notification of dishonored check is...</b>	<b>THEN...</b>
	<b>not</b> received on or before the eighth calendar day following processing of the producer’s loan repayment	return the check to the buyer.
	received on or before the eighth calendar day following processing of the producer’s loan repayment	<ul style="list-style-type: none"> <li>• correct the repayment, according to 12-PS, applicable for the producer’s check</li> <li>• using the buyer’s check, re-record the repayment according to 12-PS:                             <ul style="list-style-type: none"> <li>• as a manual repayment</li> <li>• using the date the <b>buyer’s</b> check was received in the County Office as the applicable repayment date</li> </ul> </li> <li>• establish the receivable in NRRS, according to 64-FI, for the dishonored check fee, as applicable.</li> </ul>
	<p><b>Note:</b> If notification of dishonored check is received after buyer’s check is returned, see *--paragraph 702, 3-FI,--* and 64-FI for other provisions about dishonored checks.</p>	

746 Payment Not Timely Received (Continued)

B Notification of Nonreceipt of Repayment (Continued)

File a written request, including evidence to support your position with the County FSA Committee, within 30 calendar days after the date of this letter:

- if you want to contest this determination, including:
  - the amount due
  - administrative actions applicable to the loan maturity date
- to obtain a reconsideration and an informal hearing.

During these 30 calendar days, you may also inspect and copy records located at the above address that relate to this determination.

Sincerely,

County Executive Director,  
\_\_\_\_\_ County FSA Office

cc: *(Buyer designated on CCC-681-1)*

**747 Notification Letter to Buyer Designated on CCC-681-1**

**A Buyer's Check Returned for Insufficient Funds**

Notify the applicable buyer, with respect to CCC-681-1, with a copy of the letter to the producer, if the buyer submits an insufficient funds check.

**\*--Notes:** County Offices shall follow paragraph 702 and 64-FI for procedure to establish the receivable.

Concentration banking counties shall also follow 3-FI, subparagraph 51 B.

Follow 3-FI for accepting replacement check and collecting the dishonored check fee for these remittances.--\*

**B State Office Notification**

When a buyer, representing an authorized warehouse to store CCC loan collateral, submits an insufficient funds check, **immediately** notify PSD, through the State Office.

**748 Denying Marketing Authorizations**

**A COC Determinations**

COC's may determine that a buyer is **not** eligible for future designations on CCC-681-1.

**B Buyer Ineligibility**

Buyers are **not** eligible for future designations on CCC-681-1 if buyers:

- repeatedly fail to comply with CCC-681-1 required provisions
- are noncompliant for reasons within the buyer's control.

**749-769 (Reserved)**

785 Loan Repayment Rates (Continued)

**H Example of Market Loan Repayment Rate Calculations Using the 30-Calendar-Day Method for Wheat**

For the 30-calendar-day method for **wheat**, calculate the repayment rates as follows.

**Note:** For this example, **HRW wheat** repayment rates for **October 1 in Mitchell County, Kansas**, were calculated.

Step	Action
1	Go back 30 calendar days from October 1 (September 1 through September 30).  <b>Note:</b> The repayment rate is based on a <b>moving</b> average. Therefore, to calculate the repayment rate for October 2, the user needs terminal market price data for the previous 30 calendar days (September 2 through October 1).
2	Starting with the September 1 data, <b>add all HRW wheat</b> terminal market prices and <b>divide</b> by 6. Record the unrounded result as the average terminal market price for September 1.  <b>*--Note:</b> See subparagraph L for the number of terminal markets. Divide by:--* <ul style="list-style-type: none"> <li>• 6 for “HRW”</li> <li>• 2 for “HRS”</li> <li>• 6 for “SRW”</li> <li>• 3 for “SWH”</li> <li>• 4 for “HAD”.</li> </ul>
3	Repeat step 2 for the next 29 calendar days.
4	<b>Add all unrounded</b> results from September 1 through September 30 and <b>divide</b> by 30. Record the result as a rounded number (\$X.xx).
5	<b>Subtract</b> the wheat national average loan rate by class (see table in subparagraph 2 B) from the result in step 4.
6	<b>Add</b> the county loan rate to the result in step 5.
7	Record the answer from step 6. This is the <b>30-calendar-day</b> loan repayment rate for <b>HRW wheat</b> in Mitchell County, Kansas, for October 1.

The effective market loan repayment rate for HRW wheat in Mitchell County, Kansas, for October 1 is the **lower** of either the 30-calendar-day or 5-calendar-day method (subparagraph I).

785 Loan Repayment Rates (Continued)

**I Example of Market Loan Repayment Rate Calculations Using the 5-Calendar-Day Method for Wheat**

For the 5-calendar-day method for **wheat**, calculate the repayment rates as follows.

**Note:** For this example, **HRW wheat** repayment rates for **October 1 in Mitchell County, Kansas**, were calculated.

Step	Action
1	Go back 5 calendar days from October 1 (September 26 through September 30).  <b>Note:</b> The repayment rate is based on a <b>moving</b> average. Therefore, to calculate the repayment rate for October 2, the user needs terminal market price data for the previous 5 calendar days (September 27 through October 1).
2	Starting with the September 26 data, record <b>each applicable HRW wheat</b> terminal market price as a rounded number (\$X.xx). The terminal market pricing points assigned to Mitchell County, Kansas, are Gulf (“GLF”) and Kansas City (“KCM”).
3	Repeat step 2 for the next 4 calendar days.
4	<b>Add all rounded</b> results from September 26 through September 30 for <b>each</b> applicable terminal market and <b>divide each</b> result by 5. Record <b>each</b> result as a rounded number (\$X.xx).
5	<b>Subtract</b> from the recorded result in step 4, and for <b>each</b> assigned terminal market, the following:  <ul style="list-style-type: none"> <li>• the assigned <b>county differential</b> for that specific terminal market</li> <li>• the calculated <b>5-calendar-day average terminal market adjustments</b> for that specific terminal market.</li> </ul>
6	Record the answer for <b>each</b> assigned terminal market.
7	The <b>higher</b> result in step 6 will be the <b>alternative</b> loan repayment rate for HRW wheat in Mitchell County, Kansas, for October 1.

The effective market loan repayment rate for HRW wheat in Mitchell County, Kansas, for October 1 is the **lower** of either the 30-calendar-day (subparagraph H) or 5-calendar-day method.

**801 Issuing CCC-691's****A When to Issue CCC-691's**

For **nonrecourse** loans, County Offices shall complete CCC-691, prepare demand letter, according to Exhibit 11, subparagraph G, and issue CCC-691:

- the next workday after the loan maturity date regardless whether CCC-681-1 is outstanding
- when any of the following occurs **after** the producer receives the maturity notice in Exhibit 11, subparagraph B:
  - producer notifies the County Office that the commodity will be delivered to CCC when the loan matures
  - producer does **not** notify the County Office of the option that will be taken to settle the loan
  - producer notifies the County Office that the loan will be repaid at maturity, but the producer has taken **no** action to settle the loan by the maturity date
  - producer does **not** repay the loan by the maturity date.

For recourse loans after maturity, and repayment has **not** been received, do **not** issue CCC-691.

See Section 3 for completing local sales.

**\*--Note:** NRRS receivables are **not** to be established on mature nonrecourse loans if the commodity is still in storage and eligible to be delivered to CCC. The borrower must be given due process and an opportunity to deliver the commodity to CCC or repay the loan. See Exhibit 11, subparagraph A for table of applicable actions.--\*

801 Issuing CCC-691's (Continued)

**B Completing CCC-691's Through Part A**

County Offices shall complete:

- separate CCC-691's for each loan and for different delivery points for the entire quantity
- producer and loan identification items and Part A according to this table and example.

Item	Instructions
1-6	Enter information applicable to the loan.
7 and 8	Leave blank.
9	Enter outstanding loan quantity to be delivered.
10	Enter outstanding loan amount applicable to the loan quantity.
11	Enter disbursement date of the loan.
12	Check (✓) box, as applicable, for the commodity.
13	Enter maximum quantity for delivery according to paragraph 813.
14	Enter name, warehouse code number, and location of shipping or storing warehouse.  <b>Note:</b> For trackload, enter delivery point and railroad.
15	If location is same as item 14, ENTER “ <b>Same</b> ”.  <b>Note:</b> For trackload, enter scale location.
16	*--Initially allow 15 calendar days for delivery of loan collateral. Under extenuating circumstances, an additional 15 calendar days may be granted. All extensions <b>must</b> be documented in the loan folder.--*
17	Obtain appropriate signature for CCC approval and date.
18	Enter name and address of County Office.



**803 Nondelivery of Loan Collateral**

**A Nondelivery by Expiration Date**

If the loan collateral is **not** delivered by the 30th calendar day after the CCC-691 expiration or extended expiration date, County Offices shall, on the 31st calendar day after the CCC-691 expiration or extended expiration date:

- spot check the loan
- initiate foreclosure proceedings according to paragraph 866

Handle loan deficiencies resulting from foreclosure proceedings according to paragraph 823.

**B Extension of Expiration Date**

\*--The expiration date of CCC-691 may be extended, in 15-calendar-day increments, **only** in extenuating circumstances that are beyond the producer's control. The reasons for each--\* extension **must** be documented in the loan folder.

If additional time is requested, the County Office shall first spot check the commodity still in storage to ensure that there is enough collateral in storage and already delivered to the warehouse to cover the loan.

**804 Deliveries to Authorized Warehouses**

**A Delivery for Storage**

For deliveries to authorized warehouse for storage, County Offices shall schedule deliveries as rapidly as the warehouse can receive the commodity.

**B Delivery for Handling Only**

For deliveries to authorized warehouse for handling **only**, complete CCC-643 according to paragraph 806.

**Reminder:** Shipping instructions must be available **before** warehouse operator begins to receive the commodity.

For deliveries on an identity preserved basis, a County Office representative shall:

- supervise the delivery
- take a representative sample and submit for a grade determination for use in settling with the producer.

## Section 3 Local Sales

## 856 Local Sale Eligibility

## A Eligible Sales

Commodities eligible for local sale, according to this section, include:

- loan collateral that is required to be disposed of through local sales, including collateral for recourse loans and recourse loan foreclosure

**Examples:** Commodities exceeding the maximum STC-level for moisture.

Recourse loans for corn and sorghum that exceed the 2-LP standard for moisture.

Commodities under a distress loan.

- isolated farm-stored lots
  - commodities ineligible, as applicable
  - commodities ineligible because of sanitation requirements or containing poisonous substances
  - damaged and salvaged collateral
  - sample grade wheat because of insect-damaged kernels according to paragraph 815
  - commodities for settlement of nonrecourse loans that are refused for storage by authorized warehouses located where it is practical to deliver commodities to be placed in CCC inventory
- Note:** Warehouse operators may refuse to accept and store commodities for any reason.
- commodities for settlement of farm-stored nonrecourse loans that producers refuse to deliver, including processing loan foreclosure
  - \*--commodities for settlement of farm-stored nonrecourse loans where it is not cost--\* effective to pay excess haul.

**Notes:** See Exhibit 11, pages 4 and 5 for table of applicable actions for recourse and distress loans.

For recourse loans open after maturity, do **not** issue CCC-691.

856 Local Sale Eligibility (Continued)

**B Ineligible Sales**

The following commodities are **ineligible** for disposal through local sales provisions:

- commodities not specified in subparagraph A
- any commodity that a warehouse operator:
  - accepted for CCC's account
  - placed in storage in the warehouse following delivery under CCC-691.

**857 Authorization****A Authorizing Local Sales**

County Offices shall request authorization for a local sale from the State Office before announcing the sale.

**Note:** If it is not in the best interest of CCC to wait to request a local sale, justification for the expedited request shall be provided with the authorization request.

**B State Office Action**

The State Office shall:

- authorize all local sales before the County Office announces the sale
- maintain a register of assigned authorization numbers
- notify the County Office of the authorization number.

**Note:** County Office shall enter the authorization number on:

- CCC-638
- CCC-639
- \*--CCC-691, item 31, for nonrecourse loans **only**--\*

**C Sales to Employees**

FSA employees may purchase commodities offered for local sale **only** when the sale of this commodity is based on competitive bids.

No purchase may be made, either directly or indirectly, by:

- the employee who was formerly accountable for the commodity or who was in any way connected with its condemnation or sale
- State Office employees without prior approval of SED
- County Office employees without prior approval of the State Office representative.

**857 Authorization (Continued)**

**D Sales to Warehouse Operators**

A warehouse operator who refuses to accept a commodity being delivered in settlement of a farm-stored loan may submit a bid for the commodity, if the commodity is later disposed of through local sales.

**861 Completing Sales**

**A Making Payment for Sales**

Payment for the sale of the commodity must be:

- made before or at the time of delivery
- in cash or by money order, certified check, or cashiers check; if approved by CED, an uncertified personal or business check may be accepted
- received in the County Office within 15 calendar days after notification of the successful bid.

**B Applicable Charges**

The producer is responsible for applicable charges incurred, as necessary, to complete the sale of loan collateral.

**Examples:** Weighing, sampling, grading.

Document all charges for:

- nonrecourse loans on CCC-691, Part C
- recourse loans in the loan folder.

These charges shall be recorded as “other charges” when processing the local sale settlement in APSS.

**C Restrictive Use Certification**

For commodities that do not meet sanitation requirements or that contain poisonous substances, the purchaser must sign a restrictive use certification that:

- is the same as was stated in the announcement
- will restrict the use of the commodity according to Federal or State laws governing the particular condition of the commodity.

861 Completing Sales (Continued)

D Applying Sales Proceeds

Sales proceeds:

- \*--from **nonrecourse** loans shall be for the account of CCC and deposited in NRRS, according to 64-FI, using program code "XXCOMMLOSA"--\*

**Notes:** Settlement with producer shall be based on premiums and discounts applicable to the commodity sold.

Do **not** apply the sales proceeds to the loan principal plus interest.

\* \* \*

- from **recourse** loans shall be applied to the receivable established in NRRS, according to Exhibit 11, subparagraph A, "recourse loan" and "distress loan".

**Note:** Any excess amount shall be paid to the producer.

See subparagraph 862 C for amounts, if any, due after completing local sale settlement.



## Part 9 Warehouse-Stored Loan Forfeitures

### 900 Loan Forfeitures

#### A When to Process Forfeiture

Complete warehouse-stored loan forfeitures when producers do not repay warehouse-stored loans by the loan maturity date according to PS directives and 12-PS, applying premiums and discounts.

County Offices **must** immediately:

- before processing loan or forfeitures in APPS, contact the storing warehouse operator to obtain applicable storage or public tariff rates for Federally licensed warehouses and for warehouses in States listed in subparagraph 536 B
- process storage deductions, if applicable, using the offer shipping rate table for UGRSA warehouses in States listed in subparagraph 536 C; updated warehouse offer shipping rates for States listed in subparagraph 536 C are available at  
\*--[http://erielake.sc.egov.usda.gov/whserates/grain/warehouse\\_rates.asp](http://erielake.sc.egov.usda.gov/whserates/grain/warehouse_rates.asp)--\*
- process loan reversal in APSS according to PS directives and 12-PS
- reenter loan applying premiums, discounts, and other applicable charges according to PS directives and 12-PS

**Note:** Apply premiums, discounts, and other applicable charges to the loan rate that was reduced for ACRE-elected farms.

- process warehouse-stored loan forfeiture on the first day **after** the loan maturity date
- follow Exhibit 11, subparagraph A, “warehouse nonrecourse loan” to establish a receivable in NRRS, if an amount is due CCC
- mail the forfeited warehouse receipt to KCCO on the same day transmittal control documents are generated according to subparagraph 901 A.

**Note:** For EWR’s, select “Release Code/Reason”, “**9-Forfeiture**” to transfer EWR to KCCO.

#### B Verifying Documents

Before processing the forfeiture in APSS according to 12-PS, County Offices shall:

- review the loan documents, each warehouse receipt, and if applicable, KC-350 (Grain) or KC-350 (Oilseed) for data accuracy

**Note:** If the review of loan documents and warehouse receipts reveals an overdisbursement of the loan, handle according to paragraph 31.

900 Loan Forfeitures (Continued)

**B Verifying Documents (Continued)**

- ensure that warehouse receipts:
  - issued to the producer have been endorsed by the producer
  - contain proper authorized warehouse code and crop year
- verify weights, bu, and check against quantity shown on CCC-678
- enter the following in the upper-right corner of the warehouse receipt:
  - State and county codes
  - loan number
  - CCC storage start date according to subparagraph C.

The quantity eligible for forfeiture to CCC under a warehouse-stored loan is limited to the loan quantity specified on the warehouse receipt.

**C Determining CCC Storage Start Date**

Determine the storage start date for CCC according to this table.

**\*--Note:** When the forfeiture process in subparagraph A is followed, APSS should determine the storage start date for CCC automatically.--\*

IF...	THEN...
storage was paid or provided for through the maturity date	the storage start date for CCC is the day following the loan maturity date.
<b>either</b> of the following applies: <ul style="list-style-type: none"> <li>• warehouse-stored loan is called <b>before</b> maturity and storage is refunded according to subparagraph E</li> <li>• storage was prepaid <b>beyond</b> loan maturity</li> </ul>	the storage start date for CCC is the day following the date through which storage had been prepaid or provided.
storage charges through the maturity date were <b>not</b> paid or provided for at loanmaking	<ul style="list-style-type: none"> <li>• create a receivable through NRRS</li> <li>• process new loan adjusting loan rate.</li> </ul>

**1009 Notification of Denied LDP Benefits**

**A Denied LDP Notification**

When the producer is denied LDP benefits, County Offices shall:

- immediately notify the producer in writing
- \*--use the applicable letter in Exhibit 11, subparagraph K or L about denial of loan or--\* LDP benefits and include the following:
  - reason for denying LDP
  - appeal rights according to 1-APP.

**Notes:** Rewrite the letter to reflect the reason for LDP denial, as applicable.

See Exhibit 11, subparagraph A, “Miscellaneous Notification Letters for Loans and LDP’s”.

If LDP benefits are denied because of AGI, producers are afforded the opportunity to request a nonrecourse loan by the final availability date if all other eligibility requirements are met.

**1010-1019 (Reserved)**



**Definitions of Terms Used in This Handbook (Continued)****Buyer**

Buyer means the warehouse operator, broker, agent, or other person or entity the producer designates for issuing CCC-681-1.

**Commodity Inspector**

Commodity inspector means COC representative who does field work for the loan and LDP programs.

**\*--Commodity Loan**

Commodity loan means a loan that can be nonrecourse or recourse.--\*

**Control of the Commodity**

Control of the commodity means a producer keeps the ability to make all decisions affecting the commodity. For example:

- moving or right to sell or pass title to the commodity
- pledging the commodity for loan or requesting LDP.

**Conversion**

Conversion means the borrower removing a commodity under loan for sale or other use, with or without authorization.

**Crop Year**

Crop year means, for a commodity, the 12-month period that:

- begins on the first day of the eleventh calendar month before the month in which the final availability date for the applicable commodity falls
- ends on the final availability date for the applicable commodity.

**Customary Delivery Point**

Customary delivery point means the shipping point, location, or warehouse (elevator), as determined by the County Office, where the producer would normally deliver the commodities if sold on the market.

**Note:** This does **not** apply to producer's farm or sales to neighbors, as applicable.

**Deficiency**

Deficiency means the amount owed CCC when the settlement value of a farm-stored loan is less than the outstanding loan value.

## Definitions of Terms Used in This Handbook (Continued)

### DCIA

DCIA means the provision for barring delinquent debtors from obtaining additional Federal loans or loan insurance or guarantees. Delinquent debtor is determined as follows:

- **for farm program debts**, the debt is in delinquent status 90 calendar days after the date of the first demand letter; the notification is **not** the first demand letter
- **for FSFL's**, the debt is in delinquent status if not paid in full within 90 calendar days after the due date; however, if the installment principal balance is less than \$25, the farm storage facility loan is **not** considered delinquent.

**Note:** FLM's are responsible for informing County Office personnel of any farm loan delinquent debts, as applicable.

### Delinquent Federal Nontax Debt

Delinquent federal nontax debt means a person owing a delinquent Federal nontax debt to the Federal Government.

According to DCIA, a person owing a delinquent Federal nontax debt to the Federal Government is ineligible for Federal financial assistance, including direct loans (other than disaster loans) or loan insurance or guarantees. DCIA defines delinquent Federal nontax debts as, but **not** limited to, the following:

- Federal:
  - unpaid loans, including educational loans
  - overpayments
  - duplicate payments made to Federal salary or benefit payment recipients
  - misused grant funds
  - unpaid fines, penalties, or fees assessed by Federal agencies
- child support.

**\*--Note:** Producers owing **tax** debt to IRS are still eligible for an MAL or LDP as long as all other eligibility and program requirements are met.--\*

### Denied Market Gain

Denied market gain means the amount of market loan repayment or LDP determined ineligible because:

- percent of cropland or permitted entity share factor is less than 1
- payment limitation will be exceeded.

## Eligible Grain Sorghum Varieties

### A Determining Eligible Grain Sorghum Varieties

Each year, grain sorghum varieties are reviewed and updated to determine eligibility and yield information for loans and LDP's.

Grain sorghum varieties are as follows:

- dual purpose, having a yield potential equal to 100 percent of hybrid varieties
- dual purpose, having a yield potential equal to 80 percent of hybrid varieties
- sterile varieties
- photo-period sensitive varieties
- ineligible varieties.

The following categories will be used to determine eligibility of grain sorghum (dual purpose \*--varieties) for 2012 crop year MAL's and LDP's.--\*

- **Category I** - Non-Tannin Sorghum for grain or silage/hay **is eligible** regardless of parentage or grain yield.
- **Category II** - Tannin Sorghum for grain or silage/hay **is eligible** regardless of parentage or grain yield, but if harvested, grain **must** be identity-preserved and reported.
- **Category III** - Tannin Sorghum used for pasture **is not eligible** for LDP's or any programs.

### B Assigning Yield Guidelines

COC's shall assign yield for grain sorghum (dual purpose variety), harvested as other than grain, to:

- be equivalent to the potential whole grain yield for that crop
- reflect disaster conditions, as applicable.

Producers **must** provide documentation, such as seed tickets and invoices, for grain sorghum (dual purpose varieties) harvested as other than grain to substantiate the variety planted and harvested.

**Eligible Grain Sorghum Varieties (Continued)**

**C Methods for Assigning the Yield**

COC's shall use the following methods to assign the yield if the variety of grain sorghum (dual purpose variety) is eligible for LDP.

<b>IF the producer harvested...</b>	<b>THEN assign the yield based on...</b>
some dual purpose acreage of the crop on the farm for grain	the acreage of dual purpose grain sorghum harvested as grain.
dual purpose acreage of the crop on the farm as other than grain	regular hybrid grain sorghum harvested on the farm adjusted according to paragraph D.  <b>Note:</b> If no grain sorghum is harvested for grain on the farm, COC establishes a yield based upon COC judgment and knowledge of practices and growing conditions in the county; this <b>must</b> be documented in the COC minutes.

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

Assigning yields based on 3 similar farms is no longer authorized.

**D 2012 Crop Year Dual Purpose Grain Sorghum Varieties With 100 Percent Yield Potential**

The dual purpose grain sorghum varieties listed in the following table have yield potential equal to 100 percent of hybrid varieties. County Offices shall:

- make LDP eligibility determinations
- advise seed companies, who believe they have eligible varieties **not** listed in the following table, to contact the State Office and provide information about plant characteristics and forage and grain yield potentials.

**Note:** Assign a yield of 100 percent of the grain yield using the methods in subparagraph C.

Company/Variety	Company/Variety	Company/Variety	Company/Variety	Company/Variety
Ag Venture	*--Alta Brand (Advanta)	Alert Agri Distributors	*--AR-B Seeds, Inc.	Arrow Seed Co., Inc.
FS111D Silo Milo	AF7401--* 26837	BMR 103	AS781--*	Beefmaster BMR Canex BMR 310 Pheasant Acres Silo Mor Silo+Plus BMR Silobuster



Eligible Grain Sorghum Varieties (Continued)

D 2012 Crop Year Dual Purpose Grain Sorghum Varieties With 100 Percent Yield Potential  
(Continued)

Company/Variety	Company/Variety	Company/Variety	Company/Variety
<b>Asgrow Seed</b>  BBT	<b>AVA Seeds</b>  AVA 7100 AVA 7102 AVA 7102A AVA 7103 AVA 7103A AVA 7105 AVA 7110 AVA 7111	<b>*--B-H Genetics</b>  BH 312 FBD--*	<b>Barkley Seed</b>  Grass Roots 90HS
<b>Boomerange</b>  BMR 6 Silage Master DP1 Silage Master BMR	<b>Byrons Seed</b>  Silage Supreme	<b>Channel Bio Corp</b>  SugarGold	<b>Crosbyton Seed Company</b>  GW 3072 F GW 8528 F BMR GW 9530 GWX3023FBMR Silo-N-Feed
<b>Curtis &amp; Curtis</b>  Triple Gainer 31 BMR	<b>Dakota's Best Seed</b>  Pheasant Acres Ringneck Roost Sweet Chop BMR	<b>Dodge City Coop</b>  Sweet Feed BMR 802	<b>Drussel Seed and Supply</b>  DSS Dividend BMR *--DSS 73862--*
<b>Eastern Colorado</b>  HP 101 BMR *--HP 120 BMR--*	<b>Fontanelle Hybrids</b>  F-310 F-310C F-315 F-315C F320SS	<b>Forage First</b>  BMR 106 *--BMR 108 Leafy--* HT-110 HT-555 HY-Grow 77 5909	<b>Frontier Hybrids</b>  Garst 320 Silmaker 5500 Silmaker 5700 Silmaker 6000 Silmaker 6500 Silmaker 7000
<b>Garrison &amp; Townsend</b>  BMR 100 BMR 101 Sile-ALL Silo-Milo Sweet T	<b>Garst Seed Co.</b>  Ex Chpr X Hi-Energy II N-322-X N-340X R 332 x 1020F 320 320F 325 331-X 333 344 BMR 344F	<b>Golden Acres Genetics, LLC</b>  FS466 Ton-A-Milk	<b>Golden Harvest J C Robinson Seed</b>  Si-Gro H-44 Si-Gro H-45 Si-Gro H-46

Eligible Grain Sorghum Varieties (Continued)

**D 2012 Crop Year Dual Purpose Grain Sorghum Varieties With 100 Percent Yield Potential (Continued)**

Company/Variety	Company/Variety	Company/Variety	Company/Variety
<b>Hawkeye Seeds</b> HFS 1770	<b>Helena Chemical</b> Forager BMR	<b>Hoegemeyer Hybrids</b> BMR 1 591F 602F	<b>Hytest Seeds</b> HT 110 HT 110 BMR HT 111 HT 555 HY-Grow 77
<b>Kaystar Seed</b> Forari IV	<b>Kelly Green Seeds, Inc.</b> Silamaster Silamax BMR	<b>Kings Agri Seed</b> Silage Supreme	<b>Land O Lakes</b> Croplan Hikane II Croplan NK300 Forage First DKS59-09
<b>Legend Seed Company</b> LFS-501	<b>MMR Genetics</b> MMR 304/24 MMR 381/73 73366X 105392X	<b>Mycogen Seeds</b> 1F700BMR	<b>NC+ Hybrids</b> NC+ 965 Nutri-Choice Nutri-Choice II Nutri-Ton Nutri-Ton II
<b>Ohlde Seed</b> O-114	<b>Patriot Seed, Inc.</b> BMR 101	<b>PGS Hybrids</b> Silage Maker Sweet Dairy BMR Sweet Ensile BMR	<b>Phillips Seed</b> BMR 61 BMR 1000 Silo Fil Sweet Sil
<b>Producers Hybrids</b> Chaps Chaps II HF 346 BMR Rodeo	<b>Production Plus</b> Silobuster Silobuster S Silo Plus BMR	<b>Purdue University</b> PU 8165X	<b>Richardson Seed, Inc.</b> CW7700 Dairy Master BMR Eversweet Silo 600D Silo 700D Silomaster Silomaster D Sweet R X50701 X50711 X50714
<b>Roth Seed Company</b> Rocky Top BMR Hi-Low	<b>Scott Seed</b> BMR Gold 100 Great Scott BMR	<b>Seed Exchange</b> Pheasant-Hunt-Red	<b>Seed Resource, Inc.</b> BMR 100 BMR 106 Fame FS 515 HQ
<b>Sharp Brothers Seed Co.</b> Canex BMR 208 Canex BMR 310 Canex BMR 328	<b>Sorghum Partners</b> HiKane II KF 429 NK 300	<b>Star Seed, Inc.</b> SF3373 Silo Plus Silo Plus BMR Star Elite BMR	<b>Taylor Seed</b> Green Valley 1 BMR

Eligible Grain Sorghum Varieties (Continued)

**D 2012 Crop Year Dual Purpose Grain Sorghum Varieties With 100 Percent Yield Potential (Continued)**

Company/Variety	Company/Variety	Company/Variety	Company/Variety
<b>Triumph Seed Company, Inc.</b>	<b>UAP Seed</b>	<b>United Agri Products</b>	<b>Valley Feed and Seed</b>
Super Sile 20 Super Sile 22 Super Sile 30 Super Sile SH26	Dixie Lee	Dyna-Gro DG 710F	Udder Buster BMR Udder Max
<b>Walter Moss Seed Co.</b>	<b>Warner Seed Inc.</b>	<b>Watley Seed Company</b>	<b>Wilbers Seed Solutions</b>
Millenium BMR	Husky 2-Way 2-Way BMR 2-Way F-103 2-Way F-104 2-Way F-105 2-Way F-145 2-Way SRS	BMR 6150	Sweet-N-Low

**Note:** This list will be supplemented with additional varieties based upon field trials conducted by the National Grain Sorghum Producers Association.

**E 2012 Crop Year Dual Purpose Grain Sorghum Varieties With 80 Percent Yield Potential**

The dual purpose grain sorghum varieties listed in the following have yield potential equal to 80 percent of hybrid varieties. County Offices shall:

- make LDP eligibility determinations
- advise seed companies, who believe they have eligible varieties **not** listed in the following table, to contact the State Office and provide information about plant characteristics and forage and grain yield potentials.

**Note:** Assign a yield of 80 percent of the grain yield using the methods in subparagraph C.

State Offices shall consult with PSD to make determinations of dual purpose varieties eligible at the 80 percent level that are not included in the following table, based on information received from seed companies. If more information is needed to make a determination, contact the National Institute of Food and Agriculture or universities, as applicable.

Company/Variety	Company/Variety	Company/Variety	***
<b>AgriBioTech, Inc.</b>	<b>*--Alta Brand (Advanta)</b>	<b>Arkansas Valley Seed Solutions</b>	***
BMR 100 FS-555	AF7101 AF7201 23419--*	Honey Sweet BMR	

Eligible Grain Sorghum Varieties (Continued)

E 2012 Crop Year Dual Purpose Grain Sorghum Varieties With 80 Percent Yield Potential  
(Continued)

Company/Variety	Company/Variety	Company/Variety	Company/Variety
<b>Arrow Seed Co., Inc.</b>  1 <sup>st</sup> Choice BMR	<b>Asgrow Seed</b>  Beefbuilder T Titan R	<b>AVA Seeds</b>  AVA 7000 AVA 7109 FT AVA 7120 ST	<b>Barkley Seed</b>  Grass Roots 5150
<b>B-H Genetics</b>  * * * BH 380 F BH 390 F	<b>Boomerange</b>  Silage Master MS BMR Silage Master ST BMR	<b>Browning Seed, Inc.</b>  Silage Master	<b>Byrons Seed</b>  Silage Supreme MS BMR
<b>Casterline &amp; Sons Seed</b>  Duro Silo Plus	<b>Coffey Forage Seeds, Inc.</b>  Centurion BMR HS II HS IV	<b>Coop Seed, Inc.</b>  SSF-550 SSF630 SSF660	<b>Crosbyton Seed Company</b>  GW 8228 BMR GW 9110F GWX 3172F
<b>Dakota's Best Seed</b>  Bundle & Chop Early Sumac Grace N Honey BMR Mega Ton Waconia	<b>Delta and Pine Land Co.</b>  102F	<b>Douglass King Co.</b>  K-100	<b>Drussel Seed and Supply</b>  * * * FS120199
<b>DynaGro Seed</b>  DG 710F 712F	<b>Eagle Seed Genetics</b>  Digest BMR	<b>Eastern Colorado</b>  EX HP 08 DW HP BMR DW * * * HP 120 BMR DW HP 95 BMR Kane N Honey BMR	<b>Fontanelle Hybrids</b>  F292 BMR
<b>Forage First</b>  BMR 90 BMR 105 * * * FS-5 XF 1101	<b>Garrison &amp; Townsend</b>  BMR Exp 2201 BMR Exp 2202 SG BMR 80 Silo Milo + 24213 24219 27681 991005 991005 BMR 991021 992003 BMR	<b>Garst Seed Co.</b>  BMR 348 EX 2211 EXP 2211X N318-X T-E Milk-A-Lot 311 318	<b>Gayland Ward Seed Co., Inc.</b>  Ensile Master

**Eligible Grain Sorghum Varieties (Continued)**

**F 2012 Crop Year Sterile Grain Sorghum Varieties**

Sterile varieties of grain sorghum are listed in the following table. The producer **must** provide documentation to COC that shows the crop was planted with a pollinator and that 90 percent or more of the plants could produce a grain that would be classified as grain sorghum using the Official United States Standards for Grain.

Assign a yield based on 80 percent of the yield determined by using the methods in subparagraph C. County Offices shall:

- make LDP eligibility determinations
- advise seed companies, who believe they have eligible varieties **not** listed in the following table, to contact the State Office and provide information about plant characteristics and forage and grain yield potentials
- notify the State Office of any varieties **not** listed in this table that may be sterile.

Company/Variety	Company/Variety	Company/Variety	Company/Variety
<b>AgriBioTech, Inc.</b> Brand Hybrid Forage Pik Nik II Sug-R-Cane	<b>*--Alta Brand (Advanta)--*</b>  AF7301	<b>AR-B Seed</b>  AR-B Hay N Graze AR-B Sweet Choice BMR AR-B Sweet N Mor	<b>Arrow Seed Co., Inc.</b>  Canex Canex II Red Top+Plus BMR Sweet N Red Sug-R-Bale
<b>Asgrow Seed</b>  Titan MS	<b>AVA Seeds</b>  AVA 7108ST AVA 7109ST	<b>*--B-H Genetics</b>  BH 304 FB--*	<b>Browning Seed, Inc.</b>  Bundel King
<b>Casterline &amp; Sons Seeds</b>  Sucane	<b>Coffey Forage Seed, Inc.</b>  AML 74-2 BMR 6810 Centurian EXP 6810X MS 7445 MS 7469 MS 85 MSCA 27469	<b>Crosbyton Seed Company</b>  Goldmaker GW 7828 F BMR GW 9530 F GW 9430 F Mor Bane II	<b>Dakota's Best Seed</b>  Bundle & Chop Sterile Canex Cattleman's Supreme BMR
<b>Dodge City Coop</b>  Value Plus with Pollinator	<b>DynaGro Seed</b>  DG 727F ST	<b>Eastern Colorado</b>  HP1010BMR HP1010BMRMS Kane N Honey	<b>Fontanelle Hybrids</b>  F-300
<b>Forage First</b>  BMR 105 Honey Kane	<b>Frontier Hybrids</b>  Mucho Sweet		

Eligible Grain Sorghum Varieties (Continued)

\*--F 2012 Crop Year Sterile Grain Sorghum Varieties (Continued)--\*

Company/Variety	Company/Variety	Company/Variety	Company/Variety
<b>Garrison &amp; Townsend</b> 23402 Bale-All II Bale-All III	<b>Gayland Ward Seed Co., Inc.</b> GW 2120S GW-400BMR	<b>Golden Acres Genetics, LLC</b> T-E Goldmaker T-E Goldmaker - S T-E Goldmaker - T	<b>Golden Harvest J C Robinson Seed</b> Si-Gro H-1
<b>Greenbush Seed &amp; Supply</b> Sweetall Sterile	<b>Hoegemeyer Hybrids</b> 612 F 613 F 625F	<b>Hyttest Seeds</b> Honey Kane	<b>J.C. Robinson Seed Co., Inc.</b> Si-Gro-H-1
<b>Kelly Green Seeds, Inc.</b> Lucky Leaf	<b>MMR Genetics</b> *--36392X--* MMR 366/31 BMR MMR 366/36 BMR	<b>Moews Seed Co.</b> Moews Chop 1	<b>Mycogen Seeds</b> T-E Goldmaker T-E Goldmaker II
<b>NC+ Hybrids</b> NC 305 F Nutri-Cane II	<b>Otilie Seed</b> 210 A RO219A	<b>Phillips Seed</b> Sweet Bale	<b>Production Plus</b> Cane-Maker Cane-Maker II Red Top Plus Sweet-N-Red Ultra+Cane BMR
<b>Richardson Seeds, Inc.</b> Bundle King BMR	<b>Roth Seed Company</b> Cattle King Cattle King II Rocky Top	<b>Scott Seed Co.</b> BMR Gold X Sugar Cube	<b>Seed, Inc.</b> Big Crop 101FS
<b>Seed Resource, Inc.</b> Brand Hybrid Forage Pik Nik II Sugar-R-Cane Sweet-N-Tall	<b>Sharp Brothers Seed Co.</b> Canex Canex II Canex 50/50 Canex BMR 402 Canex BMRX402 Canex BMR 403 Canex BMRX403 Silex BMR 501 Silex BMR 502 Value Plus With Pollinator	<b>Sorghum Partners</b> X 909-NK	<b>Star Seed, Inc.</b> Magnum Surcane
<b>United Agri Products</b> Dyna-Gro DG 711F ST Dyna-Gro DG 727F ST	<b>Valley Feed and Seed</b> Kane King	<b>Walter Moss Seed Co.</b> F-18 BMR	<b>Warner Seed, Inc.</b> Sweet Bee Sterile Sweet Bee Sterile II
<b>Wilbers Seed Solutions</b> Sweet-N-Tall	<b>Wilbur-Ellis Co.</b> Integra F10165		
<b>Miscellaneous Varieties/Company Unknown</b>			
Crop Guard			

Eligible Grain Sorghum Varieties (Continued)

\*--H 2012 Crop Year Ineligible Varieties (Continued)--\*

Company/Variety	Company/Variety	Company/Variety	Company/Variety
<b>East Texas Seed Company</b> Green Graze Planter's Pride	<b>Eastern Colorado</b> HP 300 BMR	<b>Forage First</b> Greentreat Plus	<b>Frontier Hybrids</b> Champ BMR Champ I Champ II Nutri Plus BMR
<b>Garrison &amp; Townsend</b> BMR 201 BMR 301 BMR 302 Gainer Graze All Graze All III Sugar Dan	<b>Garst Seed Co.</b> 750 BMR 753 BMR 753 BMR+ 757 EX 32007 Graze-N-Bale + N 765 BMR X R 723 BMR X Tastemaker III	<b>Gayland Ward Seed Co., Inc.</b> Super-Sugar Vita-Cane	<b>Golden Acres Genetics, LLC</b> FP-5 T-E Evergreen T-E Haygrazer T-E Haygrazer II
<b>Golden Harvest J C Robinson Seed</b> ReGro 34 RE-GRO EX 33 RE-GRO H-22B	<b>Hoegemeyer Hybrids</b> 650S Sugar Dan	<b>Hyttest Seeds</b> HT 211 BMR	<b>Johnson Genetics</b> Hidan 36 Millex 32 Sardan 79 Trudan 8 Trudan 10
<b>Johnston Seed Company</b> Sweet Grazin Triple Treat	<b>Kelly Green Seeds, Inc.</b> 4-FPS 4-Most 4-S 4-S BMR 4-X 4-XPS Lucky Su	<b>Kings Agri Seed</b> Summer Queen	<b>Kirkland Seed Company</b> Sweet Chow
<b>Land O Lakes</b> Croplan Drip-O-Honey Croplan Drip-O-Honey BMR Croplan Greentreat BMR Croplan Greentreat IV Croplan Greentreat-Plus Croplan Highland Sweet Plus Croplan Sordan 79 Croplan Sordan Headless Croplan Trudan 8 Croplan Trudan Headless Forage First SX-17	<b>Legend Seed Company</b> German LPM Preferred LSS 405 LSS 410 Manta	<b>Mallard Seed Company</b> Mallard SSG Mallard Sweet Miracle	<b>McCormick Seed, Inc.</b> Honey Sweet

Eligible Grain Sorghum Varieties (Continued)

H 2012 Crop Year Ineligible Varieties (Continued)

Company/Variety	Company/Variety	Company/Variety	Company/Variety
<b>Midland Genetics</b> Super Sioux Sweet Graz	<b>Mission Ag</b> Mission Magic	<b>MMR Genetics</b> 336/67 BMR MMR 366/82 MMR 327/38	<b>Mycogen Seeds</b> IF 655 TE Haygrazer
<b>NC+ Hybrids</b> NC+ 800HS NC+ BMR 44S * * * NC+ Sweetleaf II	<b>Ottillie Seed</b> Sorgox Sudangrass 666	<b>PGS Hybrids</b> Sweet Sorghum-Sudangrass Sweet Sorghum-Sudangrass BMR	<b>Phillips Seed</b> BMR 63 BMR 3001 Sweet Graz 55
<b>Pioneer Hi Bred International</b> 855F 877F 979	<b>Producers Hybrids</b> Lariat	<b>Production Plus</b> Dairymen's Dream Dry Stalk Dry Stalk BMR Go-Man-Go Hi-n-Dri Nutri Plus BMR Nutri Plus DS Nutri + Plus BMR Red Top Plus BMR Special Effect Special Effort Ster-M-Up Sweet Sunny Sue	<b>Richardson Seeds, Inc.</b> Honey Graze BMR Honey Graze IV Honey Pasture Pace setter Pacesetter Plus Piper Sweeter-n-Honey Sweeter-n-Honey BMR Sweeter-n-Honey BMR Red Tri Sweet X38400
<b>Scott Seed Co.</b> BMR 300 BMR Gold 200 BMR Gold 300 BMR Gold II BMR Gold III Honey Sweet Hay Preferred Stock Premium Stock Premium Stock LS Scott Grazer Sweet-N-Sterile	<b>Seed, Inc.</b> Big Crop Ribbon Grazer Big Crop Thrifty Grazer	<b>Seed Resource, Inc.</b> Att-A-Graze I Att-A-Graze II BMR 200 BMR 204 BMR 206 Cattle Grazer Dine a Mite Domor Forage King Green Graze Supreme Green Grazer V Green Pasture II MS 202 BMR PS-210 BMR S 222 S 333 SS 200 BMR Sugar Beef Sugar Beef III Sugar Beef IV Sugar Beef V Super Su 22 Xtra Sweet SS	<b>Sharp Brothers Seed Co.</b> Buffalo Brand Grazex II Grazex II W Grazex BMR 16 Grazex BMR 718 Grazex BMR 719 Grazex BMR 727 Grazex BMR 737 Grazex BMR 771 Grazex BMR 782



(Par. 300, 304, 316, 317, 335, 400, 501, 520, 524, 525, 617, 742, 1000, 1005, 1008, 1215, 1554)  
 CCC-677-1's (Continued)

C Completing CCC-677-1's (Continued)

Item	Instructions
25	Enter the calculation of item 22 times the bu. or cwt. conversion factor, applicable to the commodity, as shown in item 36.
26	Commodity inspector shall enter the <b>actual</b> test weight applicable to the commodity, except for HM commodities and cracked, rolled, or crimped corn.
27	Enter pack and test weight factors applicable to the commodity from 8-LP, Exhibit 17. For oilseeds, except soybeans, enter the test weight factor from 8-LP, Exhibit 26.
28	If applicable, enter the percent of moisture content determined from the sample of the commodity for applicable storage structure.
29	If applicable, enter the excess moisture shrink factor adjustment according to 8-LP, Exhibit 12 or calculated according to 8-LP, subparagraph 430 C.
30	Enter the result of item 25 times item 27, and adjust, if applicable, for the moisture shrink factor determined in item 29, to determine the loan or LDP quantity.
31	Producer shall initial and date after verifying the measurements of the structures.  *-- <b>Note:</b> The producer's initials and date are not required for spot checks.--*
32	Producer shall initial and date within 30 calendar days of completing the measurement service, if the measurements will be used for production evidence for the requested loan or LDP.
33	For <b>spot check</b> , enter the total outstanding loan quantity as shown in the loan record, or for LDP, enter quantity on which LDP was made.
34	For <b>spot check</b> , enter 90 percent of <b>total</b> outstanding loan quantity or the total quantity for LDP.
35	If the quantity calculated in item 30 is equal to or more than the quantity calculated in item 34, there is no deficiency. Determine the quantity deficient, if any, by calculating the difference between the total adjusted measured quantity in item 30 and the loan quantity in item 33.  <b>Note:</b> If COC determines a violation for a deficient loan or LDP quantity, enter COC action in "Remarks" section and follow 8-LP, Part 4 for loan and LDP violation provisions.
36	Use these factors for conversion of net cubic feet to bu. or cwt. Use: <ul style="list-style-type: none"> <li>• .201 as the conversion factor for crambe</li> <li>• .480 as the conversion factor for dry peas and lentils</li> <li>• .484 as the conversion factor for chickpeas.</li> </ul> <b>Notes:</b> See 8-LP, Exhibit 75.  County Offices may use APSS to complete calculation of measurement service and attach all screen prints, as applicable, to CCC-677-1. The quantity must be entered in item 30.

(Par. 300, 304, 316, 317, 335, 400, 501, 520, 524, 525, 617, 742, 1000, 1005, 1008, 1215, 1554)  
 CCC-677-1's (Continued)

**C Completing CCC-677-1's (Continued)**

Item	Instructions
37 A	Commodity inspector shall enter comments when there is some condition that could affect the maximum quantity for loan, or other matter, that must be brought to the attention of the County Office, such as: <ul style="list-style-type: none"> <li>• additional information about the condition of the structure or the commodity</li> <li>• uneven filling</li> <li>• excess foreign material, dockage, or moisture</li> <li>• commodity is stored in a hazardous location.</li> </ul>
37 B	Commodity inspector shall sign and date upon completion of the measurement service or spot check.
38	<b>Review CCC-679</b> for disbursement requests and enter names and amounts for other payees and offsets, if applicable, in the space provided. In remarks, enter any special instructions applicable to this action.
39	Enter date County Office completes lien search, when required.
40	Enter date the financing statement is filed.
41	<b>After completion of CCC-677-1</b> , County Office employee shall sign and date for CCC.
42	<b>For spot checks</b> , commodity inspector shall complete for all structures entered in items 12 and 13. (A copy of the original measurement service CCC-677-1 may be used when spot-checking the collateral.) When a re-measurement is required or measurements have changed from previous measurements, the commodity inspector shall complete a new CCC-677-1.
42 Remarks	<b>For loan requests or spot checks</b> , the commodity inspector may use this space to provide a sketch of commodity in storage space and any additional information to use to determine the quantity of the commodity.

**D Distributing CCC-677-1**

File original in County Office after measurement service or spot check is complete.