



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

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Electronic Loan Deficiency Payments

Overview

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) electronic Loan Deficiency Payment Service (eLDP) is a Web-based service that allows producers to request LDPs online and, in most cases, receive approval and payment by direct deposit within 48 hours. eLDPs are available to eligible producers in all 50 states and are offered as an additional option to producers requesting a loan deficiency payment (LDP). Non-electronic LDP benefits remain available at local FSA Service Centers; however, eLDP services provide greater flexibility to producers who conduct business online and want to avoid travel time and expense to and from the local FSA Service Center.

How eLDPs Work

USDA provides eLDP services in a secure online environment that protects participants' privacy through stringent security measures. All participating customers will have an eLDP customer profile set up through a software application that validates their farming and crop information. Customer profile information is provided by the customer and verified by farm records stored in the local FSA Service Center.

FSA's eLDP customers use a personal computer to submit an eLDP application. After the eLDP is approved by USDA, the payment is automatically routed by an electronic funds transfer to the customer's bank account.

The eLDP process is available 24/7, except during routine backup and maintenance periods. The applicable LDP rate is based upon the rate in effect on the application date for the location of the stored commodity or the rate in effect for delivered quantities.

Customer Eligibility

To be eligible for eLDPs, customers must:

- Be in compliance with all annual eligibility requirements for marketing assistance loans and LDPs;
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- Have a valid email address;
- Have an active USDA eAuthentication Level 2 account;
- Produce and harvest an eligible loan commodity.

Page 1 of form CCC-633 EZ, indicates a producer's intent to request LDP benefits and must be received by mail or fax in a FSA Service Center before the producer loses beneficial interest in the commodity. Producer submission of page 1 of the CCC-633 EZ is not considered a completed LDP request. A producer must either request the eLDP online or submit a CCC-633 EZ, page 2, 3 or 4, as applicable to complete the LDP request and obtain the eLDP benefit.

Payment Limitation and Adjusted Gross Income

Beginning with the 2009 crop year and subsequent crop years,

payment limitations are no longer applicable on any benefits associated with the Marketing Assistance Loan (MAL) or LDP programs. A person or legal entity with an average adjusted gross nonfarm income that exceeds \$500,000 is not eligible to receive an eLDP program benefit.

Commodity Eligibility

Eligible loan commodities include:

- Barley;
- Canola;
- Chickpeas (small and large starting with the 2009 crop);
- Corn;
- Crambe;
- Dry peas;
- Flaxseed;
- Grain sorghum;
- Hay (eligible for LDP only on an eligible loan commodity);
- Honey;
- Lentils;
- Mohair;
- Mustard seed;
- Oats;
- Peanuts;
- Rapeseed;
- Rice (long and medium);
- Safflower;
- Silage (eligible for LDP only on an eligible loan commodity);
- Soybeans;
- Sunflower oil;
- Sunflower seed;
- Upland cotton;
- Wheat;
- Wool;
- Unshorn pelts (eligible for LDP only).

Customer Profiles

Before an eLDP application can be submitted, a customer profile must be established by the FSA Service Center administering the farm records for the requested eLDP commodity. Customer profiles are updated each crop year to show current eligibility and commodity information. Producers are encouraged to submit the CCC-633 EZ, page 1 prior to harvest if they plan to submit eLDPs.

eLDP customer profiles are available for the following:

- Individuals, corporations, limited-liability partnerships, limited-liability companies or limited partnerships, trusts and estates (known as Common Customer Profiles);
- General Partnerships;
- Joint Ventures with a tax identification number.

FSA Service Centers will create and maintain customer profiles. The customer profile will include:

- Customer and commodity eligibility;
- Customer's (producer's) reasonable production by commodity.

Customer profiles will be updated over time by the customer's FSA Service Center whenever existing Customer Profile entries change. Customers are responsible for contacting the service center when a change to the profile is necessary.

Accessing Application Forms for Participation

Customers can request eLDP services by completing form CCC-633 EZ, page 1 online at www.sc.egov.usda.gov or at USDA Service Centers.

The eAuthentication Level 2 access can be obtained by completing the online process for approval at www.eauth.egov.usda.gov.

Average Crop Revenue Election (ACRE)

The loan rate used to calculate eLDP benefits will be reduced by 30 percent if production comes from a farm enrolled in the ACRE program. Contact a local USDA Service Center or visit the FSA website at www.fsa.usda.gov/Internet/FSA_File/acre.pdf.

Background on LDPs

USDA's Commodity Credit Corporation (CCC) makes available nonrecourse marketing assistance loans for certain commodities. Marketing assistance loans and LDPs help ensure an orderly distribution of commodities to the market throughout the year and prevent delivery of commodities as loan collateral to USDA. CCC establishes loan rates for these commodities annually at the national level and adjusts the rates locally. Marketing assistance loans provide interim financing for eligible producers, allowing them to store their crops at harvest (when prices tend to be low), then market their crops when prices rise.

Under certain circumstances, when applicable loan rates are greater than the posted county or announced national market price (Adjusted World Prices for cotton,

and National Posted Price for peanuts) for eligible loan commodities, producers can repay loans at the announced applicable market price amount without interest. Alternatively, a producer may be eligible for and choose to receive an LDP in lieu of securing a marketing assistance loan. An LDP is the difference between the loan rate at a given location and the announced market price for the applicable commodity.

For More Information

Information on marketing loans and LDPs is available in the FSA fact sheet "Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments." More information on the eLDP services and LDPs is available from local USDA Service Centers and FSA's website at www.fsa.usda.gov, click on Price Support.

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