

**For:** Cotton State and County Offices

**Processing Crop Year 2009 Cotton eLDP's**

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



**1 Overview**

**A Background**

The Food, Conservation, and Energy Act of 2008 (2008 Act) authorized cotton MAL's and LDP's for crop years 2008 through 2012. Regulations governing the program are found in 7 CFR Part 1427.

The web eLDP system has been enhanced to incorporate changes resulting from the 2008 Act and is available to enter 2009 customer profiles for cotton and process eLDP requests. Software now includes an ACRE indicator to process cotton applications with quantities from ACRE-enrolled farms.

APSS shall **not** be used to process cotton LDP requests at this time.

**Note:** 7-CN will be amended to incorporate the changes in this notice.

**B Purpose**

This notice:

- highlights enhancements made to the eLDP system for the 2009 crop year cotton
- informs States and County Offices that an ACRE indicator is now available to process 2009 crop eLDP's for cotton from farms enrolled in ACRE.

**C Contact**

For questions about this notice, State Offices shall contact Shayla Watson, PSD, by either of the following:

- e-mail at [shayla.watson@wdc.usda.gov](mailto:shayla.watson@wdc.usda.gov)
- telephone at 202-690-0013.

**Disposal Date**

January 1 , 2010

**Distribution**

Cotton State Offices; State Offices relay to County Offices

## 2 Processing Cotton Applications in eLDP

### A Subsidiary Flags and AGI

The web-based eLDP system:

- has been enhanced to read 2009 subsidiary flags

**Note:** Before a customer profile can be established for a producer, all applicable subsidiary flags must be set.

- reads the AGI-Commodity Programs flag, which **must** also be set **before** payment can be issued.

### B Payment Limitation

Beginning with the 2009 to 2012 crop years, LDP payments are no longer restricted by payment limitation. The Customer Profile Screen has been modified and no longer requires an entry for payment limitation maximums.

### C COC Maximum Yields and Allocated Percentages

Annually, COC's must determine reasonable estimates of yields for each commodity based on crop and weather conditions. The COC-established maximum yields and allocated percentages must be recorded **before** an eLDP is processed for a commodity.

### D ACRE

If a customer enrolled in ACRE applies for an LDP, the loan rate of that LDP shall be reduced by 30 percent. County Offices shall verify the producer's ACRE-enrollment status before processing applications in eLDP software.

To process applications in which a customer has enrolled in ACRE, the user **must** indicate that the eLDP comes from an ACRE-enrolled farm by clicking the applicable button to answer the question, "Is the quantity from a farm enrolled in ACRE?"

The eLDP application Summary Screen will now show the ACRE enrollment status and the reduction because of ACRE, as applicable.

## Notice CN-1042

### 2 Processing Cotton Applications in eLDP (continued)

#### E Payments Issued to Acre-Enrolled Farms Without Reduction

If an eLDP payment is processed for an ACRE-enrolled farm without the 30 percent reduction, County Offices **must**:

- cancel the original payment to create a receivable

**Note:** The “Correct” option shall not be used to change the ACRE enrolled status.

- reissue a new eLDP with the ACRE reduction
- offset the proceeds of the new eLDP to the receivable.

**Note:** The producer is responsible for any remaining balance due as a result of an eLDP corrected to reflect the ACRE reduction.