

For: FSA Offices

Clarifying Provisions for LDP Quantities Stored in Unapproved Facilities

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Notice LP-1990 included information about commodities delivered for storage to approved and unapproved facilities, including Federally-licensed, State-licensed, and unlicensed facilities. PSD has received several inquiries about whether producers could submit CCC-633 LDP for commodities delivered and stored in State-licensed warehouses without a UGRSA, if beneficial interest is maintained in the stored commodity.

8-LP will be amended to reflect information provided in this notice.

B Purpose

This notice informs State and County Offices that producers who deliver commodities to **State-licensed** warehouses without a UGRSA and **beneficial interest is retained** in the commodity delivered may request LDP on CCC-633 LDP.

<p>Disposal Date</p> <p>December 1, 2005</p>	<p>Distribution</p> <p>All FSA Offices; State Offices relay to County Offices</p>
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Notice LP-1994

2 Stored LDP Commodities

A LDP Storage Requirement Waiver

8-LP, subparagraph 300 D, states that storage requirements for LDP's are waived; therefore, stored LDP quantities may be eligible for LDP regardless of the storage facility, if all other marketing assistance eligibility requirements, including beneficial interest are met.

Important: Delivering the commodity to facilities such as a feedlot, feedyard, wool pool, dairy, processor, or ethanol plant removes the producer's ability to make all decisions affecting the delivered commodity. Therefore, control of the commodity does **not** remain with the producer and beneficial interest is considered lost upon delivery. CCC-709 LDP must be filed on or before harvest to be eligible for LDP.

B State-Licensed Warehouses

State-licensed warehouses may store agricultural commodities for producers. In most cases, State laws that govern State-licensed warehouses allow producers to retain control, risk of loss, and title to the commodity stored in the warehouse. Producers who deliver eligible commodities to an approved or unapproved facility that is licensed within the State to store agricultural commodities and retain beneficial interest in the stored commodity may request a CCC-633 LDP.

Note: Certified CCC-633 LDP's are subject to spotcheck and production evidence must be submitted for any LDP selected for spotcheck.

State and County Offices should refer to State licensing or other applicable authorities for guidance on specific State warehouse storage requirements for storing agricultural commodities. Depending on the applicable State law, restrictions may apply when the commodity is delivered for storage. These restrictions may cause the producer to lose beneficial interest in the commodity upon delivery or fulfillment of a contract.