

For: State and County Offices

**Additional Questions and Answers About
CCC-633 EZ, Loan Deficiency Payment (LDP) Agreement and Request**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

PSD continues to receive questions about CCC-633 EZ.

B Purpose

This notice provides:

- notification that CCC-633 EZ, Page 2 has been revised
- additional questions and answers about CCC-633 EZ (Exhibit 1)
- clarification about policy for CCC-633 EZ.

2 Changes to CCC-633 EZ

A CCC-633 EZ, Page 2

Revisions, dated 08-04-05, were made to CCC-633 EZ, Page 2. The most significant change added a box for the producer to include the State and county where farm records are maintained (Item 16). Producers shall submit completed CCC-633 EZ, Page 2 to the County Office for processing.

Note: A future amendment to 8-LP will include policy on CCC-633 EZ.

B Revised CCC-633 EZ Availability

The current CCC-633 EZ, dated 08-04-05, is available from the following Web sites:

- PSD Web site at www.fsa.usda.gov/dafp/psd
- FFAS Employee Forms Web site at <http://165.221.16.90/DAM/ffasforms/forms.html>.
- eForms Web site at <http://forms.sc.egov.usda.gov/eforms/mainervlet>.

Disposal Date	Distribution
July 1, 2006 8-31-05	State Offices; State Offices relay to County Offices

CCC-633 EZ Questions and Answers

Q 1: Can a producer fax CCC-633 EZ to their County Office?

A 1: Yes, as long as the producer has a signed FSA-237 on file.

Q 2: Can a producer submit CCC-633 EZ through eFile?

A 2: If the producer has a Level 2 eAuthentication, he/she can eFile a completed CCC-633 EZ to the County Office in which the farm records for the farm that the LDP is requested are maintained, provided the customer submitting the form is the only person required to sign the transaction. Multiple signatures cannot be transmitted through eFile.

Q 3: Can a power of attorney complete CCC-633 EZ?

A 3: Refer to 1-CM. FAXed signatures may be accepted if the person signing has filed FSA-237.

Q 4: Does the use of the CCC-633 EZ for LDP's provide the opportunity to obtain a more advantageous payment rate if the payment rate when beneficial interest is lost is higher than the rate effective on the date of the LDP request?

A 4: When an LDP is requested for a commodity on which beneficial interest has been lost, the only rate acceptable is the rate on the day beneficial interest was lost. That rate may be higher or lower than the rate provided under other normal LDP requests. For example, if a producer requested an LDP before beneficial interest was lost, the LDP rate is the rate in effect on the date of the request. No further LDP is eligible for that quantity regardless of when beneficial interest is lost. If a producer does not request LDP until after beneficial interest is lost, the LDP rate is the rate in effect on the day beneficial interest is lost.

CCC-633 EZ Questions and Answers (Continued)

Q 5: On Monday (6/27/05), a producer faxes a CCC-633 EZ, Page 2 to the County Office but does not have a CCC-633 EZ, Page 1 on file. Is CCC-633 EZ, Page 1 still required at this point if the producer still has beneficial interest in the crop?

A 5: Yes, in all cases a CCC-633 EZ, Page 1 is required from the producer because producers must agree to the LDP Terms and Conditions that are incorporated on CCC-633 EZ, Page 1.

The producer must submit a valid CCC-633 EZ, Page 1 before losing beneficial interest. If the producer maintains beneficial interest and has submitted CCC-633 EZ, Page 2 before submitting CCC-633 EZ, Page 1, the LDP rate would be based on the date a correctly signed and completed CCC-633 EZ, Page 1 is received in the County Office. If beneficial interest has been lost and CCC-633 EZ, Page 2 is submitted before CCC-633 EZ, Page 1 is received in the County Office, that quantity is ineligible for a loan or LDP.

Examples: Producer faxes CCC-633 EZ, Page 2 on Monday (6/27/05), and returns CCC-633 EZ, Page 1 on Friday (7/1/05). The producer lost beneficial interest in the grain on Wednesday (6/29/05). The LDP can't be approved because CCC-633 EZ, Page 1 was not returned before loss of beneficial interest.

Producer faxes CCC-633 EZ, Page 2 on Monday (6/27/05), and returns CCC-633 EZ, Page 1 on Friday (7/1/05). The producer lost beneficial interest in the grain on Saturday (7/2/05). The LDP can be paid using Friday's (7/1/05) rate because CCC-633 EZ, Page 1 was returned on Friday and the producer didn't lose beneficial interest until Saturday. The producer is not eligible to receive the LDP rate in effect on 6/27/05 because, in this example, the LDP request was not complete until CCC-633 EZ, Page 1 was received in the County Office.

Q 6: In the past, we needed both the front and back of the CCC-633 LDP returned if filing via fax. With the new 4-page form, for commodities other than cotton, can we accept the form as complete if we only receive the first 2 pages? Initially CCC-633 EZ, Page 1 and subsequently CCC-633 EZ, Page 2?

A 6: Yes. CCC-633 EZ, Page 3 is only applicable to cotton LDP's and CCC-633 EZ, Page 4 is a continuation sheet and is only necessary if the producer runs out of space.

CCC-633 EZ Questions and Answers (Continued)

- Q 7:** A producer filed a CCC-709 for crop year 2005 corn on July 5, 2005 (all for immediate sale). A CCC-633 EZ, Page 1 was subsequently filed on October 11, 2005. What date is entered by the County Office in the eLDP corn profile as the approval date for the CCC-709 for crop year 2005?
- A 7:** Use the earlier of the 2 dates (July 5, 2005). Otherwise, any corn applied for under “field direct” with delivery dates before October 11, 2005, could not be processed through the web based system.
- Q 8:** A producer did not file a CCC-709 for 2005 crop soybeans but submitted a CCC-633 EZ, Page 1 on October 11, 2005. What date is entered in the eLDP soybean profile field for the CCC-709 approval date for the 2005 crop year?
- A 8:** Enter the date the CCC-633 EZ, Page 1 was filed which was October 11, 2005. The producer will be eligible for bushels with a delivery/sales date of October 11, 2005, or later. The eLDP process will be enhanced to incorporate the policies associated with the CCC-633 EZ. Until that time, County Offices are to enter the dates as specified in this and the previous question.
- Q 9:** Will the County Office be able to count the completion of the CCC-633 EZ, Page 1 for workload if the producer never files a CCC-633 EZ, Page 2 or 3? This may happen if the LDP rate is never greater than zero.
- A 9:** 12-AO (Rev. 21), Amendment 4 dated 8/3/05, added the CCC-633 EZ as an operation to work items 1605, Upland Cotton LDP, and 1606, Loan Def Payments (Except Cotton). The unit count for each of these work items is each LDP for which payment is made. Since virtually every producer eligible for LDP will be completing a CCC-633 EZ, the work measurement formula for the constant (found in 12-AO, Exhibit 12) is expected to reflect an increase in time. Every County Office receives the constant for work items 1605 and 1606 whether they have a unit count for those work items or not. So if the producer signs the CCC-633 EZ and then ends up applying for a loan on the commodity instead, the County Office will still get NWD's (normal workdays) on their workload report in the LDP work items.

CCC-633 EZ Questions and Answers (Continued)

Q 10: Is it the responsibility of the county receiving the CCC-633 EZ, Page 1, for a multi-county producer, to verify that the producer has certified his acres on all of his farms in his other counties?

A 10: No. All County Offices are responsible to verify eligibility requirements specific to the farms in their county.

Q 11: Is it possible for a producer to complete both pages 1 and 2 of the CCC-633 EZ at the same time if he still maintains beneficial interest?

A 11: Yes. If the producer still maintains beneficial interest, he may complete and submit CCC-633 EZ, Page 1 and 2 at the same time. The LDP rate will be based on the date the request is received in the County Office.

Q 12: Are all County Office employees authorized to sign and approve the CCC-633 EZ as CCC representatives?

A 12: Yes, in accordance with specified signature delegations.

Q 13: In the past with the CCC-709, producers were able to receive the LDP rate in effect on the date delivered from the field to the warehouse even though the grain was not sold and beneficial interest was maintained. It appears that with the CCC-633 EZ, this is not possible and that the producer will have to submit a new CCC-633 EZ, Page 2 for every day delivered. Is this true and is anything being done to help producers who wish to use this option?

A 13: For the 2005 crop year, producers who want to receive the LDP rate in effect on the date delivered, even though beneficial interest is maintained, must complete the CCC-709 before harvest. We are looking into how the CCC-633 EZ can be modified to include this option for the 2006 crop year.

Q 14: Is there going to be a box added to CCC-633 EZ, Page 2, in which the CCC determined value (PCP) can be entered? This is item 11 of the CCC-633 LDP.

A 14: We will modify the instructions for Block 25 and the County Office may include, if they wish, the PCP along with the LDP rate.

Example: \$.10/\$1.89.

Q 15: Are farm numbers required on the CCC-633 EZ and if so where should they be recorded?

A 15: At this time, farm numbers are not required. If the producer or County Office would like, they may include the farm number in item 32, under "Additional Information, on CCC-633 EZ, Page 2.

CCC-633 EZ Questions and Answers (Continued)

Q 16: Is a separate CCC-633 EZ, page 2 required for multiple commodities or for LDP's requested on another day?

A 16: Yes. A separate CCC-633 EZ, Page 2 is required for each commodity and for each day an LDP is requested

Q 17: How can the producer and County Offices handle multiple delivery dates when beneficial interest is lost upon delivery? Is it necessary to list each day delivered on CCC-633 EZ, Page 2?

A 17: It is not necessary to list each delivery date and quantity delivered on a separate line on the CCC-633 EZ, Page 2. The producer may attach the production evidence that lists each delivery date and indicate in item 23 "Production Evidence is attached" or something similar. The delivery evidence that is attached should be initialed by the producer.

Q 18: What is the policy and procedure for fed grain?

A 18: Unless an LDP is requested on grain prior to it being fed, the LDP rate will be the rate in effect on the date the grain was fed. We will need some documentation from the producer as to the dates and quantity fed. It is strongly suggested that COC's review these requests and verify them as to reasonableness.

Q 19: If the commodity is fed or used for seed, is there anything the County Office or COC needs to do?

A 19: It is strongly suggested that the County Office use CCC-633 EW for commodities fed or used as seed. This is approved by COC and the commodity is no longer subject to spot check. We may be modifying CCC-633 EW to include instructions for COC approval for commodities fed but until that time, a feeding chart similar to the one on the reverse of CCC-709 can be completed and attached to CCC-633 EZ, Page 2.