

For: State and County Offices

Blue Corn Ineligible for Marketing Assistance Loans (MAL's) and LDP's

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

PSD has received several inquiries about blue corn eligibility for MAL's and LDP's. Loan commodities must meet the applicable commodity definition and applicable provisions as provided in the U.S. standards for the applicable commodity to be eligible for MAL's and LDP's.

B Purpose

This notice informs State and County Offices that blue corn is ineligible for MAL's and LDP's.

C Blue Corn

Blue corn does **not** meet the definition for corn as provided in the U.S. standards for corn; therefore, blue corn is ineligible for MAL's and LDP's.

The Grain and Inspection, Packers and Stockyards Administration is aware of the recent inquiries and the increase in acreage planted to blue corn; however, no changes have been made to the existing corn standards. If any changes are made to the U.S. standards for corn, State and County Offices will be notified.

<p>Disposal Date</p> <p>October 1, 2006</p>	<p>Distribution</p> <p>State Offices; State Offices shall relay to County Offices</p>
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Notice LP-2025

2 Action

A Corrective Action

Producers that have pledged blue corn as collateral for a MAL or requested and received an LDP for blue corn must:

- repay the MAL, if the loan is outstanding
- refund:
 - any marketing gain received as result of a market loan repayment, if applicable
 - the LDP amount.

Note: If the producer acted or relied on the advice of an FSA employee about the commodity eligibility, interest shall be waived for the first 30 calendar days after notice is given to the producer. If the amount due is **not** repaid, the interest start date for the amount due is the 31st calendar day after the notification letter.

B State Action

SED's and State Price Support Specialists shall ensure that:

- County Offices immediately notify producers of the contents of this notice using all available resources
- policies and procedures in this notice are being uniformly followed by County Offices.

C County Office Action

County Offices shall:

- follow subparagraph A, if it is determined blue corn MAL's and LDP's were issued
- inform producers of the contents of this notice
- provide State Price Support Specialists the number of MAL's or LDP's that required corrective action.