

For: State Offices, County Offices, CMA’s and DMA’s

Intended Use Codes, “Customer Profiles”, and MAL Disbursement Requirements

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Commodity Loan Processing System (CLPS) and the Electronic Loan Deficiency System (eLDP) both use the “Customer Profile” in eLDP to determine eligible production for MAL’s and LDP’s. The “Customer Profile”, when established for a producer according to 15-PS, reads the producer’s acreage report for the applicable crop year to determine the reasonable production by commodity, class, and type available for both MAL and LDP.

County Offices prepare a “Customer Profile” for the producer when the producer requests a MAL or LDP. The eLDP “Customer Profile” populates the producer or entity profile from the information reported through the Crop Acreage Reporting System (CARS) on FSA-578, and uses the COC-determined reasonable maximum yield to determine a producers “Total Reasonable Quantity”. The profile includes eligible production from the producer’s share of the reported acres on farms administered in that County Office.

Currently, a producer’s eLDP “Customer Profile” only includes the farms and eligible production from the County Office initiating the profile.

Disposal Date	Distribution
June 1, 2017	State Offices; State Offices relay to County Offices, and DMA’s and CMA’s

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1 Overview (Continued)

B Purpose

This notice provides State and County Offices:

- eligible MAL intended uses

Note: Intended uses became applicable when CLPS was released in June 2015.

- procedure for requesting additional intended uses
- CCC-633 EZ Page 1 filing requirement before preparing “Customer Profile”
- MAL disbursement eligibility requirements.

LP handbooks will be amended to include the new provisions in this notice.

2 Eligible Commodities and Intended Uses

A Intended Use Required for MAL’s

Only specified intended uses of a harvested commodity are eligible for MAL. To be eligible for MAL, an eligible commodity must:

- be produced and mechanically harvested in the United States
- be merchantable for food, feed, fiber or other uses determined by CCC
- meet the official U.S. standards for the specific commodity.

The County Office, when preparing a “Customer Profile”, must enter the date CCC-633 EZ Page 1 (Loan Deficiency Payment Agreement) was filed by the producer in the County Office. This is a required entry because the “Customer Profile” is used for both MAL’s and LDP’s.

In addition, County Offices will have to use the work-around process for handling multi-county producers again for 2016 crop year MAL’s and LDP’s. A future software enhancement will allow production from all County Offices to populate a producer’s eLDP “Customer Profile”. The multi-county work-around notice is being reissued.

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2 Eligible Commodities and Intended Uses (Continued)

B Eligible Commodities

Eligible MAL commodities include:

barley	flaxseed	mustard seed	safflower seed
canola	graded wool	nongraded wool	sesame seed
corn	grain sorghum	oats	small chickpeas
cotton	honey	peanuts	soybeans
crambe	large chickpeas	rapeseed	sunflower seed
dry peas	lentils	rice	wheat

Notes: Sugar is eligible for a commodity loan but the loan is not considered MAL.

Mohair is an eligible commodity but the Consolidated Appropriations Act, 2016, suspended mohair MAL's and LDP's effective December 18, 2015, through September 30, 2016.

C Eligible Intended Uses for MAL and Commodity Loans

The following table lists the eligible loan commodities and eligible intended uses that populate the "Customer Profile" in eLDP and are eligible for MAL's through CLPS.

Eligible MAL & Loan Commodity	Eligible MAL & Loan Class/Variety Type	Eligible MAL & Loan Type Name	MAL & Loan Eligible Intended Uses	MAL & Loan Eligible Intended Use Code
Barley	Barley (with Hull)	Spring Barley w/hull	Grain	GR
		Waxy Barley w/hull	Seed	SD
		Winter Barley w/hull	Grain	GR
	Barley (Hulless)	Hulless	Grain	GR
			Seed	SD
			Grain	GR
Canola		Fall Seeded	Seed	SD
		Fall Seeded	Processed	PR
		Spring Canola	Seed	SD
		Spring Canola	Processed	PR
Corn	Yellow corn	Yellow	Grain	GR
		Yellow	Seed	SD
	White Corn	White	Grain	GR
		White	Seed	SD
	Waxy Corn	Waxy	Grain	GR
		Waxy	Seed	SD

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2 Eligible Commodities and Intended Uses (Continued)

C Eligible Intended Uses for MAL and Commodity Loan (Continued)

Eligible MAL & Loan Commodity	Eligible MAL & Loan Class/Variety Type	Eligible MAL & Loan Type Name	MAL & Loan Eligible Intended Uses	MAL & Loan Eligible Intended Use Code
Cotton	Upland Upland Seed Extra Long Staple Extra Long Staple Seed	Cotton, Upland Cotton, Upland Seed Cotton, Extra Long Staple Cotton, ELS Seed		
Crambe		Crambe Crambe	Grain Seed	GR SD
Dry Peas	Smooth Green Wrinkled Smooth Yellow Mottled (Austrian) Miscellaneous Mixed	Green (Smooth) Green (Smooth) Wrinkled Seed Wrinkled Seed Yellow Variety Yellow Variety Austrian Peas Austrian Peas	Dry Edible Seed Dry Edible Seed Dry Edible Seed Dry Edible Seed Dry Edible Seed Dry Edible Seed	DE SD DE SD DE SD DE SD DE SD DE SD
Flaxseed		Common Flaxseed Common Flaxseed Common Flaxseed Common Flaxseed Lewis/Wild Blue Lewis/Wild Blue Linola Flaxseed Linola Flaxseed	Grain Oil Seed Processed Grain Seed Grain Seed	GR OL SD PR GR SD GR SD
Grain Sorghum	White Sorghum Tannin Mixed	Grain Grain Hybrid Hybrid Hybrid Standard Plant GR Hybrid Standard Plant GR Sorghum, Dual Purpose Sorghum, Dual Purpose	Grain Seed Grain Seed Grain Seed Grain Seed	GR SD GR SD GR SD GR SD
Large Chickpeas	Large Chickpeas	Garbanzo, LG Kabuli Garbanzo, LG Kabuli	Dry Edible Seed	DE SD
Lentils		Lentils	Dry Edible Seed	DE SD

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2 Eligible Commodities and Intended Uses (Continued)

C Eligible Intended Uses for MAL and Commodity Loan (Continued)

Eligible MAL & Loan Commodity	Eligible MAL & Loan Class/Variety Type	Eligible MAL & Loan Type Name	MAL & Loan Eligible Intended Uses	MAL & Loan Eligible Intended Use Code
Mustard seed	Brown Mustard	Brown Mustard	Grain	GR
		Brown Mustard	Seed	SD
	Oriental Mustard	Oriental Mustard	Grain	GR
		Oriental Mustard	Seed	SD
	Yellow Mustard	Yellow Mustard	Grain	GR
	Mixed Mustard	Yellow Mustard	Seed	SD
Oats	Oats (w/Hull)	Spring w/hulls	Grain	GR
		Spring w/hulls	Seed	SD
		Winter w/hulls	Grain	GR
	Oats (Hulless)	Winter w/hulls	Seed	SD
		Hulless	Grain	GR
		Hulless	Seed	SD
Peanuts	Runner	Runner Peanuts	Nut Peanuts	NP
	Spanish – SE	SE Spanish Peanuts	Nut Peanuts	NP
	Spanish - SW	SW Spanish Peanuts	Nut Peanuts	NP
	Valencia	Valencia Peanuts	Nut Peanuts	NP
	Virginia	Virginia Peanuts	Nut Peanuts	NP
Rapeseed		Rapeseed	Grain	GR
		Rapeseed	Seed	SD
Rice	Long Grain	Long Grain		
	Medium Grain	Medium Grain		
	Short Grain	Short Grain		
	Sweet Rice	Sweet Rice		
Safflower Seed		Safflower Seed	Seed	SD
Sesame Seed		Sesame	Grain	GR
		Sesame	Seed	SD
Small Chickpeas	Small Chickpeas	Garbanzo, SM Desi	Dry Edible	DE
		Garbanzo, SM Desi	Seed	SD
		Garbanzo, SM Kabuli	Dry Edible	DE
		Garbanzo, SM Kabuli	Seed	SD

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2 Eligible Commodities and Intended Uses (Continued)

C Eligible Intended Uses for MAL and Commodity Loan (Continued)

Eligible MAL & Loan Commodity	Eligible MAL & Loan Class/Variety Type	Eligible MAL & Loan Type Name	MAL & Loan Eligible Intended Uses	MAL & Loan Eligible Intended Use Code
Soybeans	Yellow & Mixed	Common	Grain	GR
		Common	Seed	SD
		Edamame Soybeans	Grain	GR
		Edamame Soybeans	Seed	SD
		High Protein	Grain	GR
		High Protein	Seed	SD
		Lerado	Grain	GR
		Lerado	Seed	SD
		Large seeded food grade	Seed	SD
		Low Linolenic Acid	Grain	GR
		Low Linolenic Acid	Seed	SD
		Low Saturated Fat	Grain	GR
		Low Saturated Fat	Seed	SD
		Quail Haven	Seed	SD
		Small seeded food grade Vernal	Seed	SD
Sugar	Raw Cane Sugar & In Processed Cane Beet Sugar & In Processed Beet	Sugarcane	Processed	PR
		Sugar Beets	Processed	PR
Sunflower Seed	Sunflower - Other Type	Confectionery-Sunflower	Grain	GR
		Confectionery-Sunflower	Seed	SD
	Sunflower - Oil Type	Sunflower Oil	Grain	GR
		Sunflower Oil	Seed	SD
Wheat	Durum (HAD, AD & D)	Hard Amber Durum	Grain	GR
		Hard Amber Durum	Seed	SD
	Hard Red Spring (NS & RS)	Hard Red Spring	Grain	GR
		Hard Red Spring	Seed	SD
	Hard Red Winter	Hard Red Winter	Grain	GR
		Hard Red Winter	Seed	SD
	Hard White Wheat	Hard White Spring	Grain	GR
		Hard White Spring	Seed	SD
		Hard White Winter	Grain	GR
		Hard White Winter	Seed	SD
	Soft Red Winter	Soft Red Winter	Grain	GR
		Soft Red Winter	Seed	SD
	Soft White Wheat (SWH, WHC & WWN)	Soft White Spring	Grain	GR
		Soft White Spring	Seed	SD
		Soft White Winter	Grain	GR
Soft White Winter		Seed	SD	

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2 Eligible Commodities and Intended Uses (Continued)

C Eligible Intended Uses for MAL and Commodity Loan (Continued)

Note: Honey, wool and mohair (when eligible for MAL) are **not** retrieved from CARS. County Offices are able to manually enter reasonable quantities as determined from either the CCC-633 Honey and/or CCC-633 WM worksheet to determine reasonable production to generate a “Customer Profile” for these commodities only, according to 15-PS, subparagraph 252 A.

D Additional Intended Uses for MAL’s and Commodity Loans

Only the intended uses listed in subparagraph 2 C for the specific MAL eligible commodities are eligible for MAL and populate the producer’s available quantity in CLPS.

Note: Additional intended uses, like corn – forage, and peanuts – green, are eligible for LDP and included in the producer’s “Customer Profile”. These intended uses do **not** populate the producer’s available quantity in CLPS, but are available on the producer’s “Customer Profile” for LDP.

State Offices can request through PSD additional intended uses they feel should be included.

To request additional intended uses, State Offices shall send the following to PSD policy:

- requested eligible loan commodity

Note: All MAL approved commodities for the request must be listed.

- requested intended use from 2-CP (must be an approved use in 2-CP, Exhibit 10.5)
- detailed justification why this intended use should be approved.

Send requests to DeAnn Allen at deann.allen@wdc.usda.gov. If the request is approved, the State will be notified and PSD will work with the Automation Branch to update the software. It could take up to 6 weeks for the software to be updated to accept a new intended use.

3 Preparing a “Customer Profile”

A Preparing a “Customer Profile”

County Offices shall follow the instructions in 15-PS to prepare the “Customer Profile” after a producer has submitted a MAL or LDP request.

The “Customer Profile” in eLDP is used by both eLDP and CLPS to:

- determine reasonable production for both loans and LDP’s

Note: The “Customer Profile” pulls the producer’s acres and share from CARS and uses the COC determined reasonable maximum yield for the commodity to establish the producer’s “Total Reasonable Quantity”.

- determine available quantity for the producer
- maintain program integrity
- help prevent improper payments under IPIA.

B Producer Requirement Before Preparing a “Customer Profile”

According to 15-PS, when a “Customer Profile” in eLDP is established for a producer requesting either MAL or LDP, the County Office user is required to enter the date CCC-633 EZ page 1 was filed. This date is required because the “Customer Profile” is used by **both** eLDP and CLPS software.

To ensure that an accurate CCC-633 EZ Page 1 date is entered in the “Customer Profile”, County Offices **must** have a signed CCC-633 EZ Page 1 **before** a “Customer Profile” is established for producers requesting MAL. This will ensure that the filing date entered in the “Customer Profile” is a valid date. A producer will only have to complete one CCC-633 EZ Page 1 for the crop year, and CCC-633 EZ Page 1 is required for each producer on a loan.

In addition to having a valid date in the producer’s “Customer Profile”, a CCC-633 EZ Page 1 on file will also ensure producer eligibility for a LDP if any of the producer’s commodities should become LDP eligible at any time during the loan availability period and the producer has maintained beneficial interest.

The requirement to have filed a CCC-633 EZ Page 1 will be added to the CCC-770 MAL checklist and be available to County Offices.

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4 MAL and Commodity Loan Eligibility Requirements

A Requirements Before MAL and Commodity Loan Disbursement

In addition to the applicable MAL application and CCC-633 EZ Page 1, the following annual program requirements must be completed before MAL disbursement:

- acreage report is filed showing a share in crop on which MAL is requested

Notes: All cropland, on the farm for which the commodity pledged as collateral for a MAL was produced, must be reported. Failure to report all cropland on a farm shall be considered noncompliance with program requirements and a violation according to 2-CP, and all production from the farm is ineligible for a MAL.

To ensure that all cropland on a farm has been reported, County Offices shall review the CARS report for identifying “Farms with Unreported Cropland” for all producers requesting loans before disbursing the loan. See 2-CP, paragraphs 318 and 380.5.

- AD-1026 completed and in compliance according to 6-CP for producer and **all** affiliated persons in a legal entity
- DCIA compliance from producer certification
- compliance with fraud provisions
- compliance with foreign person rules according to 5-PL.

Notes: While CCC-902 and CCC-941 are not required for MAL disbursements, both are required before the following:

- repayment with marketing loan gains
- LDP's.

County Offices shall encourage producers to complete CCC-902 and CCC-941, if not already updated for that crop year, when requesting MAL's.

The applicable eligibility flags are checked for the producer and all affiliated members of a legal entity when MAL is processed and disbursed through CLPS.

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5 Action

A State Office Action

State Offices are to ensure County Offices receive, review and follow the contents of this notice.

B County Office Action

County Offices are to follow the contents of this notice. Questions related to the contents of this notice are to be directed to their respective State Program Specialists.

C Points of Contact

For questions or concerns about this notice, contact the applicable individual according to the following table.

IF the question is about...	THEN State Offices shall contact...
cotton MAL policy	Kelly Hereth-Dawson by either of the following: <ul style="list-style-type: none">• email to kelly.hereth@wdc.usda.gov• telephone at 202-720-0448.
peanut MAL and sugar commodity loan policy	Kathy Sayers by either of the following: <ul style="list-style-type: none">• email to kathy.sayers@wdc.usda.gov• telephone at 979-680-5155.
policy for all other eligible commodities listed in subparagraph 2 B	DeAnn Allen by either of the following: <ul style="list-style-type: none">• email to deann.allen@wdc.usda.gov• telephone at 202-720-9889.
CMA, DMA, and LSA policy	Frankie Coln at either of the following: <ul style="list-style-type: none">• email to frankie.coln@wdc.usda.gov• telephone at 202-720-9011.
MAL and commodity loan automation	Laura Schlote at either of the following: <ul style="list-style-type: none">• email at laura.schlote@wdc.usda.gov• telephone at 202-720-7785.