

A. USDA Farm Service Agency (FSA) Price Support Programs

<http://www.fsa.usda.gov/programs-and-services/price-support/Index>

Non-Recourse Marketing Assistance Loan

Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. Allowing producers to store production at harvest facilitates more orderly marketing of commodities throughout the year.

Marketing assistance loans for covered commodities are non-recourse because the commodity is pledged as loan collateral and producers have the option of delivering the pledged collateral to the Commodity Credit Corporation (CCC) in satisfaction of the repayment of the outstanding loan for the loan at maturity. A settlement value is determined and applied to the outstanding loan principal and interest.

Market loan repayment provisions specify, under certain circumstances, that producers may repay loans at less than principal plus accrued interest and other charges. Alternatively, loan deficiency payment (LDP) provisions specify that, in lieu of securing a loan, producers may be eligible for an LDP. For ELS cotton, LDP provisions do not apply and ELS cotton marketing assistance loans must be repaid at the loan rate plus interest.

Recourse Marketing Assistance Loan

Recourse loans must be repaid at principal plus interest. The recourse loan commodity cannot be delivered or forfeited in satisfaction of the outstanding loan.

Marketing Assistance Loan and LDP Eligibility

For a commodity to be eligible for a marketing assistance loan or a loan deficiency payment (LDP), the producer must have beneficial interest in the commodity in addition to other eligibility requirements. For information, read the fact sheet [Nonrecourse marketing Assistance Loans and Loan Deficiency Payments](#).

Commodity Certificate Exchange

On February 3, 2016, USDA issued a [press release on the implementation of the Commodity Certificate Exchange](#) (CCE). As provided for in the 2016 Consolidated Appropriations Act enacted in December 2015, agricultural producers who have a commodity pledged as collateral for a marketing assistance loan can now purchase a commodity certificate that can be immediately exchanged for their outstanding loan collateral. Commodity certificates are available beginning with the 2015 crop pledged as collateral and will be valid only in situations where the application loan rate exceeds the exchange rate. Currently, the only eligible commodity is cotton. For more information, read the [fact sheet Commodity Certificate Exchange](#).

B. USDA FSA Non-Recourse Marketing Assistance Loan Programs

<http://www.fsa.usda.gov/programs-and-services/price-support/commodity-loans/non-recourse-loans/index>

Non-Recourse Marketing Assistance Loan Programs

The Agricultural Act of 2014 (2014 Farm Bill) authorizes nonrecourse marketing assistance loans (MALs) and loan deficiency payments (LDPs) for the 2014 through 2018 crop years for wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, medium grain rice, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded and nongraded wool, mohair, unshorn pelts, honey and peanuts.

Read the fact sheet [Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments](#) for general information about MALs and LDPs.

Read the [fact sheet Fees and Charges Assessed](#) by the Commodity Credit Corporation for Cotton Loans, Loan Forfeitures, and Relocation of Collateral.

MALs and LDPs are marketing tools available to producers beginning upon harvest or shearing. The MAL provides an influx of cash when market prices are typically at harvest-time lows, which allows the producer to delay the sale of the commodity until more favorable market conditions emerge. Allowing producers to store production at harvest or shearing provides for a more orderly marketing of commodities throughout the year.

MALs for commodities are considered nonrecourse when the MAL can either be redeemed by the repayment of the MAL or by delivering the pledged collateral to the Commodity Credit Corporation (CCC) as full payment for the MAL at maturity. MAL repayment provisions specify, under certain circumstances, that producers may repay MALs at less than loan rate (principal) plus accrued interest and other charges. Alternatively, loan deficiency payment (LDP) provisions specify that, in lieu of securing a MAL, producers may elect to receive an LDP.

MAL repayment and LDP provisions are intended to minimize potential delivery of loan collateral to CCC, accumulation of CCC-owned stocks, storage costs, discrepancies in marketing loan benefits across State and county boundaries, and allow U.S. produced-commodities to be marketed freely and competitively. Accumulating CCC-owned stocks tends to make U.S.-produced commodities less competitive in world markets and can result in substantial storage costs to taxpayers.

[Read the fact sheet Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments](#) for details on the following:

- Producer Eligibility
- Commodity Eligibility
- Beneficial Interest
- Non-recourse Marketing Assistance Loans
- Settling Loans
- Marketing Loan Gains
- Premiums and Discounts
- Interest
- Adjusted Gross Income Limitation
- Payment Limitations

[Handbook](#)

8-LP Marketing Assistance Loans and Loan Deficiency Payments for 2008 and Subsequent Crop Years – This [handbook](#) provides general instructions and information for administering loans and LDPs.

C. USDA FSA Recourse Marketing Assistance Loan Programs

<http://www.fsa.usda.gov/programs-and-services/price-support/commodity-loans/recourse-loans/index>

Recourse Marketing Assistance Loan Program

Recourse loans are Marketing Assistance Loans for which the commodity offered as collateral does not meet the quality eligibility requirements according to U.S. grading standards.

Recourse loans:

- may not be delivered or forfeited to CCC in satisfaction of the loan indebtedness
- must be repaid in full on or before the loan maturity date at principal plus interest **only**.

The following are considered recourse loans:

- high moisture corn and grain sorghum
- acquired grain for high moisture corn or grain sorghum loans
- distress loans on any commodity that is not stored in eligible storage
- any commodity otherwise eligible for nonrecourse loan, but the commodity does not meet the quality eligibility requirements according to U. S. grading standards.

[Handbook](#)

8-LP Marketing Assistance Loans and Loan Deficiency Payments for 2014 and Subsequent Crop Years – This [handbook](#) (pdf), specifically in Part 12, provides general instructions and information for administering loans for recourse loans.

2-LP Commodity Data Specific to Wheat, Feed Grains, and Oilseeds – This [handbook](#) (pdf) provides grading standards for wheat, feed grains, oilseeds, and the pulse crops.

D. USDA FSA Recourse Marketing Assistance Loan Programs

<http://www.fsa.usda.gov/programs-and-services/price-support/loan-deficiency/index>

Loan Deficiency Payments

The Agricultural Act of 2014 (2014 Farm Bill) authorizes loan deficiency payments (LDPs) for 2014 through 2018. LDPs are direct payments made in lieu of a marketing assistance loan when the CCC determined value, which is based on the current local price in a county, is below the applicable county loan rate. The payment is the difference between the two rates times the eligible quantity. For a commodity to be eligible for a LDP, the producers must have beneficial interest in the commodity, in addition to other eligibility requirements.

Read the fact sheet [Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments](#) for additional information on LDPs.

The following commodities are eligible for LDP:

| | |
|--------------------------|---------------|
| Barley | Mustard Seed |
| Canola | Oats |
| Chickpeas, large & small | Peanuts |
| Corn | Rapeseed |
| Cotton | Rice |
| Crambe | Safflower |
| Dry Peas | Sesame Seeds |
| Flaxseed | Soybeans |
| Grain Sorghum | Sunflower |
| Honey | Unshorn Pelts |
| Lentils | Wheat |
| Mohair | Wool |

The 2014 Farm Bill included the provision that producers or legal entities whose adjusted gross income (AGI) exceeds \$900,000 are not eligible for LDPs.

Beginning with the 2014 crop year, there are payment limitation on marketing loan gains (MLG) and LDPs associated with the MAL or LDP programs. The total amount of payments received directly or indirectly, by a person or legal entity (except joint ventures or general partnerships) for Price Loss Coverage, Agricultural Risk Coverage, MLGs, and LDPs (for commodities other than for peanuts), is limited to no more than \$125,000 annually. A person or legal entity that receives, directly or indirectly, payments for peanuts has a separate \$125,000 payment limit for those payments. [Read the Payment Limitation – 2014 – 2018 fact sheet](#) for additional information.

E. USDA FSA Loan Deficiency Payment (LDP) Rate Update Website

– Example for Saline County, Kansas on July 6, 2016

<http://www.fsa.usda.gov/programs-and-services/price-support/ldp-rates/index>

USDA United States Department of Agriculture Farm Service Agency

Search FSA

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Home / Programs and Services / Price Support / LDP Rates

LDP Rates

Daily Loan Deficiency Payment Rates
View the [County PCP Rates](#)

**All fields are required.*

*State: (required)
Kansas

*County: (required)
SALINE COUNTY FSA OFFICE

*Crop Year: (required)
2016

Get Commodity



2016 Crop Commodity Loan Program Information

SALINE COUNTY FSA OFFICE, Kansas

Effective Date:07/06/2016

| Commodity | Loan Rate | 30-Day Period PCP | Alternative PCP | Effective LDP Rate (\$)* |
|-----------------------------------|-----------|-------------------|-----------------|--------------------------|
| Barley \$/Bushel | 1.85 | 3.59 | 2.57 | 0.00 |
| Canola \$/Cwt. | 9.02 | 15.43 | 14.41 | 0.00 |
| Corn \$/Bushel | 2.05 | 4.36 | 3.33 | 0.00 |
| Crambe \$/Cwt. | 8.81 | 15.40 | 12.95 | 0.00 |
| Flaxseed \$/Cwt. | 10.21 | 16.64 | 15.59 | 0.00 |
| Grain Sorghum \$/Cwt. | 3.41 | 7.16 | 4.99 | 0.00 |
| Mustard Seed \$/Cwt. | 8.84 | 28.75 | 28.09 | 0.00 |
| Oats \$/Bushel | 1.43 | 3.11 | 2.07 | 0.00 |
| Rapeseed \$/Cwt. | 8.39 | 20.30 | 19.26 | 0.00 |
| Safflower \$/Cwt. | 8.30 | 17.21 | 16.04 | 0.00 |
| Soybeans \$/Bushel | 5.01 | 11.60 | 11.10 | 0.00 |
| Sunflowerseed - Oil Type \$/Cwt. | 10.60 | 18.23 | 16.70 | 0.00 |
| Wheat - Hard Red Winter \$/Bushel | 3.26 | 4.92 | 3.19 | 0.07 |
| Wheat - Soft Red Winter \$/Bushel | 2.43 | 4.56 | 3.76 | 0.00 |

* Effective LDP rate = Loan Rate - the lower of 30-Day PCP or the Alternative PCP.

F. USDA FSA Posted County Price (PCP) Calculation Worksheet

– Example for Saline County, Kansas on July 6, 2016

2016 Crop Commodity Loan Program Information

SALINE COUNTY FSA OFFICE, Kansas

[Printable Version](#)

| Commodity | 30-Day Period PCP | Terminal Market | Terminal Market Price* | Adjustments** | Price After Adjustments | Alternative PCP |
|-----------------------------------|-------------------|-----------------|------------------------|---------------|-------------------------|-----------------|
| Barley \$/Bushel | 3.59 | KCM | 3.28 | -0.71 | 2.57 | 2.57 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Canola \$/Cwt. | 15.43 | RDW | 16.32 | -1.91 | 14.41 | 14.41 |
| | | VEL | 16.47 | -2.44 | 14.03 | |
| Corn \$/Bushel | 4.36 | AMA | 3.63 | -0.42 | 3.21 | 3.33 |
| | | GLF | 4.16 | -0.83 | 3.33 | |
| Crambe \$/Cwt. | 15.40 | CAR | 15.51 | -2.56 | 12.95 | 12.95 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Flaxseed \$/Cwt. | 16.64 | FAR | 15.89 | -2.14 | 13.75 | 15.59 |
| | | RDW | 17.50 | -1.91 | 15.59 | |
| Grain Sorghum \$/Cwt. | 7.16 | GLF | 7.43 | -2.44 | 4.99 | 4.99 |
| | | SCD | 5.42 | -0.71 | 4.71 | |
| Mustard Seed \$/Cwt. | 28.75 | GFK | 30.00 | -1.91 | 28.09 | 28.09 |
| | | GRF | 30.00 | -2.74 | 27.26 | |
| Oats \$/Bushel | 3.11 | MIN | 2.56 | -0.49 | 2.07 | 2.07 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Rapeseed \$/Cwt. | 20.30 | GRF | 22.00 | -2.74 | 19.26 | 19.26 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Safflower \$/Cwt. | 17.21 | COR | 19.00 | -2.96 | 16.04 | 16.04 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Soybeans \$/Bushel | 11.60 | GLF | 12.34 | -1.24 | 11.10 | 11.10 |
| | | KCM | 11.38 | -0.44 | 10.94 | |
| Sunflowerseed - Oil Type \$/Cwt. | 18.23 | GLD | 17.81 | -1.11 | 16.70 | 16.70 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Wheat - Hard Red Winter \$/Bushel | 4.92 | GLF | 4.28 | -1.09 | 3.19 | 3.19 |
| | | KCM | 3.97 | -0.87 | 3.10 | |
| Wheat - Soft Red Winter \$/Bushel | 4.56 | GLF | 4.61 | -0.90 | 3.71 | 3.76 |
| | | KCM | 3.92 | -0.16 | 3.76 | |

* Reflects 5-day average applicable terminal market price for barley, canola, corn, flaxseed, grain sorghum, oats, soybeans, sunflower seed, wheat

** Includes county differential and applicable 5-day average terminal market adjustments

G. USDA FSA Loan Deficiency Payment (LDP) Rate Update Website

– Example for Finney County, Kansas on July 6, 2016

LDP Rates

Daily Loan Deficiency Payment Rates
View the [County PCP Rates](#)

*State: (required)
Kansas

*County: (required)
FINNEY COUNTY FSA OFFICE

*Crop Year: (required)
2016

[Get Commodity](#)



2016 Crop Commodity Loan Program Information

FINNEY COUNTY FSA OFFICE, Kansas

Effective Date:07/06/2016

| Commodity | Loan Rate | 30-Day Period PCP | Alternative PCP | Effective LDP Rate (\$)* |
|-----------------------------------|-----------|-------------------|-----------------|--------------------------|
| Barley \$/Bushel | 1.90 | 3.64 | 2.62 | 0.00 |
| Canola \$/Cwt. | 8.64 | 15.05 | 14.03 | 0.00 |
| Corn \$/Bushel | 2.19 | 4.50 | 3.47 | 0.00 |
| Crambe \$/Cwt. | 8.57 | 15.16 | 12.71 | 0.00 |
| Flaxseed \$/Cwt. | 9.84 | 16.27 | 15.21 | 0.00 |
| Grain Sorghum \$/Cwt. | 3.40 | 7.15 | 4.98 | 0.00 |
| Mustard Seed \$/Cwt. | 8.85 | 28.76 | 27.86 | 0.00 |
| Oats \$/Bushel | 1.43 | 3.11 | 2.07 | 0.00 |
| Rapeseed \$/Cwt. | 8.62 | 20.53 | 19.49 | 0.00 |
| Safflower \$/Cwt. | 8.30 | 17.21 | 16.04 | 0.00 |
| Soybeans \$/Bushel | 4.84 | 11.43 | 10.93 | 0.00 |
| Sunflowerseed - Oil Type \$/Cwt. | 10.88 | 18.51 | 16.98 | 0.00 |
| Wheat - Hard Red Winter \$/Bushel | 3.03 | 4.69 | 2.96 | 0.07 |
| Wheat - Soft Red Winter \$/Bushel | 2.43 | 4.56 | 3.76 | 0.00 |

* Effective LDP rate = Loan Rate - the lower of 30-Day PCP or the Alternative PCP.

H. USDA FSA Posted County Price (PCP) Calculation Worksheet

– Example for Finney County, Kansas on July 6, 2016

2016 Crop Commodity Loan Program Information

FINNEY COUNTY FSA OFFICE, Kansas

[Printable Version](#)

| Commodity | 30-Day Period PCP | Terminal Market | Terminal Market Price* | Adjustments** | Price After Adjustments | Alternative PCP |
|-----------------------------------|-------------------|-----------------|------------------------|---------------|-------------------------|-----------------|
| Barley \$/Bushel | 3.64 | KCM | 3.28 | -0.66 | 2.62 | 2.62 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Canola \$/Cwt. | 15.05 | RDW | 16.32 | -2.29 | 14.03 | 14.03 |
| | | VEL | 16.47 | -2.51 | 13.96 | |
| Corn \$/Bushel | 4.50 | AMA | 3.63 | -0.28 | 3.35 | 3.47 |
| | | GLF | 4.16 | -0.69 | 3.47 | |
| Crambe \$/Cwt. | 15.16 | CAR | 15.51 | -2.80 | 12.71 | 12.71 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Flaxseed \$/Cwt. | 16.27 | FAR | 15.89 | -2.36 | 13.53 | 15.21 |
| | | RDW | 17.50 | -2.29 | 15.21 | |
| Grain Sorghum \$/Cwt. | 7.15 | GLF | 7.43 | -2.45 | 4.98 | 4.98 |
| | | SCD | 5.42 | -0.72 | 4.70 | |
| Mustard Seed \$/Cwt. | 28.76 | GFK | 30.00 | -2.14 | 27.86 | 27.86 |
| | | GRF | 30.00 | -2.51 | 27.49 | |
| Oats \$/Bushel | 3.11 | MIN | 2.56 | -0.49 | 2.07 | 2.07 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Rapeseed \$/Cwt. | 20.53 | GRF | 22.00 | -2.51 | 19.49 | 19.49 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Safflower \$/Cwt. | 17.21 | COR | 19.00 | -2.96 | 16.04 | 16.04 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Soybeans \$/Bushel | 11.43 | GLF | 12.34 | -1.41 | 10.93 | 10.93 |
| | | KCM | 11.38 | -0.61 | 10.77 | |
| Sunflowerseed - Oil Type \$/Cwt. | 18.51 | GLD | 17.81 | -0.83 | 16.98 | 16.98 |
| | | NA | 0.00 | 0.00 | 0.00 | |
| Wheat - Hard Red Winter \$/Bushel | 4.69 | GLF | 4.28 | -1.32 | 2.96 | 2.96 |
| | | KCM | 3.97 | -1.10 | 2.87 | |
| Wheat - Soft Red Winter \$/Bushel | 4.56 | GLF | 4.61 | -0.90 | 3.71 | 3.76 |
| | | KCM | 3.92 | -0.16 | 3.76 | |

* Reflects 5-day average applicable terminal market price for barley, canola, corn, flaxseed, grain sorghum, oats, soybeans, sunflower seed, wheat

** Includes county differential and applicable 5-day average terminal market adjustments