

### Subpart C—Loan Deficiency Payments

SOURCE: 67 FR 63511, Oct. 11, 2002, unless otherwise noted.

#### § 1421.200 Applicability.

(a) During the loan availability period, loan deficiency payments will be made available to eligible producers when the alternative repayment rate is less than the applicable county loan rate.

(b) To be eligible to receive loan deficiency payments a producer must:

(1) Comply with all marketing assistance loan eligibility including beneficial interest requirements.

(2) Agree to forgo obtaining such loan, if applicable; and

(3) File in person, by mail or electronically a request for payment on a form prescribed by CCC; and

(4) Otherwise comply with all program requirements.

(c) A producer must submit a completed request for:

(1) A field direct loan deficiency payment to CCC on or before the date of harvesting or shearing a quantity of an eligible commodity, provided further that the producer must have beneficial interest in such quantity on the date the commodity is harvested or sheared.

(2) A field direct loan deficiency payment to CCC for unshorn pelts on or before the date of slaughter of the quantity of live lambs, before the loss by the producer of beneficial interest in the lamb and the unshorn pelt produced from such lamb.

(3) All other types of loan deficiency payment requests after harvest or shearing and before beneficial interest is lost in the commodity, but not later than the loan availability date.

(d) For unshorn pelts, the lamb must be owned for a period of not less than 30 days in advance of the application and sold for immediate slaughter or slaughtered for personal use. Producers must submit acceptable production evidence to CCC under §1421.12 at the time of request. Producers who do not sell lambs for immediate slaughter are ineligible for a loan deficiency payment.

#### § 1421.201 Loan deficiency payment rate.

(a) The loan deficiency payment rate for a crop shall be the amount by which the loan rate for the crop exceeds the rate at which CCC has announced that producers may repay their loans under §1421.10.

(b) Such rate shall be the amount determined:

(1) For loan deficiency payments other than field direct:

(i) On the day the producer submits a completed request for a loan deficiency payment to the FSA county service center;

(ii) Using the rate in effect for the FSA county service center where the commodity is stored.

(2) For field direct loan deficiency payments:

(i) On the date the commodity was delivered to the processor, buyer, warehouse or CMA;

(ii) Using the rate in effect for the FSA county service center where the farm records are kept.

(3) For rice loan deficiency payments, the adjusted world price under §1421.10(c).

(c) The loan deficiency payment applicable to such crop shall be computed by multiplying the loan deficiency payment rate, as determined under paragraph (b) of this section, by the quantity of the crop the producer is eligible to pledge as collateral for a non-recourse loan for which the loan deficiency payment is requested.

#### § 1421.202 Loan deficiency payment quantity.

(a) A loan deficiency payment may be based on 100 percent of the net eligible quantity specified on acceptable evidence of production of the commodity certified as eligible for loan deficiency payment if such production evidence is provided for such commodity under §1421.12.

(b) Two or more producers may obtain a single joint loan deficiency payment for commodities that are stored in the same storage facility. Two or more producers may obtain individual loan deficiency payments for their share of the commodity that is stored commingled in a farm storage facility