



Farm Service Agency  
U.S. DEPARTMENT OF AGRICULTURE

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## **Loan Deficiency Payments Now Available for Cotton Producers in California**

**News Release | California | March 13, 2025**

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### **Application Deadline for 2024 Crop Year is May 31, 2025**

Cotton producers in California may be eligible for Loan Deficiency Payments (LDP) from the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA). LDPs are payments made to producers who, although eligible to obtain a Marketing Assistance Loan, agree to forgo the loan in return for a payment on the eligible commodity. The deadline to apply for an LDP on 2024 crop-year cotton is May 31, 2025.

“Under current market conditions, Loan Deficiency Payments can provide cash flow and help cotton producers stabilize farm income and manage risk,” said Navdeep Dhillon, Deputy State Executive Director in California.

An LDP triggers when the adjusted world price (AWP) for cotton falls below the loan rate. The loan rate for 2024-crop base quality upland cotton is \$0.52 per pound. Extra-long staple cotton is not eligible for LDPs.

For a commodity, in this case upland cotton, to be eligible for an LDP, the producer must have beneficial interest in the commodity, defined as having title, possession and control of the commodity, and is responsible for loss of or damage to the commodity. Producers must have a LDP Agreement and Request, form [CCC-633EZ, Page 1](#) on file with the local FSA office on or before the date of losing beneficial interest in the crop. Page 3 of the CCC-633EZ form must be submitted when payment is requested, but no later than May 31 of the year following the normal harvest.

LDPs are not subject to payment limitations, actively engaged in farming and cash-rent tenant rules; however, adjusted gross income provisions are applicable.

Other eligibility requirements may apply; consult your local FSA office for more information.

FSA helps America's farmers, ranchers and forest landowners invest in, improve, protect and expand their agricultural operations through the delivery of agricultural programs for all Americans. FSA

implements agricultural policy, administers credit and loan programs, and manages conservation, commodity, disaster recovery and marketing programs through a national network of state and county offices and locally elected county committees. For more information, visit [fsa.usda.gov](https://fsa.usda.gov).

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