

For: State and County Offices

2007 Final Counter-Cyclical (CC) Rate for Peanuts

Approved by: Deputy Administrator, Farm Programs



1 2007 Final CC Payments for Peanuts

A Background

The Farm Security and Rural Investment Act of 2002 (the Act) provides for CC payments for covered commodities and peanuts beginning with crop years 2002 through 2007. Advance 2007 CC payments for peanuts were issued in February 2008.

B Purpose

This notice:

- informs State and County Offices:
 - of the final 2007 CC payment rate for peanuts
 - that software was transmitted on September 2, 2008
- provides a detailed explanation of how CC payment rates are determined
- provides instructions on issuing 2007 final CC peanut payments
- advises County Offices on how to handle situations involving bankruptcy or deceased producers.

Disposal Date

March 1, 2009

Distribution

State Offices; State Offices relay to County Offices

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2 Calculating 2007 Final CC Payment Rate for Peanuts

A Payment Rate for Peanuts

The final 2007 CC payment rate for peanuts is shown in the following table. Peanuts are due a final payment because the effective price is below the target price. The effective price equals the direct payment rate, plus the higher of the national average loan rate or the national average price received by producers. The final payment rate is the target price minus the effective price. The following table illustrates the calculation for peanuts.

Item	Peanuts
	Dollars Per Pound
Target Price	0.247500
National Average Loan Rate	0.177500
National Average Farm Price	0.205000
Higher of Loan Rate or Farm Price	0.205000
Direct Payment Rate	<u>0.018000</u>
Effective Price	0.223000
Final CC Payment Rate (Target Price Minus Effective Price)	0.024500
First Partial Payment Rate	0.003800
Final CC Payment Rate Less First and Second Partial Payments	0.020700

B National Average Prices Received by Producers

The national average prices received by producers for contract commodities can be found at http://www.fsa.usda.gov/pas/farmbill/mya_entry.htm.

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3 Issuing Payments to Producers With Special Circumstances

A Bankruptcy

County Offices shall refer to 58-FI, paragraph 176 for producers who have filed bankruptcy.

B Deceased Producers

County Offices shall follow the policy in 1-DCP, paragraph 394 for deceased producers.

4 State and County Office Action

A State Office Action

State Offices shall ensure that County Offices:

- are informed of the contents of this notice
- follow directions in the forthcoming information bulletin for loading the program parameter file.

B County Office Action

County Offices shall:

- follow directions outlined in the forthcoming information bulletin to ensure that the new program parameter file is loaded to the County Office system
- print the CC program parameter file information according to 1-CM
- **after** completing the instructions in the information bulletin, begin issuing final crop year 2007 CC peanut payments, as applicable.