



**United States  
Department of  
Agriculture**

Farm and Foreign  
Agricultural  
Services

Farm Service  
Agency

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**NOTICE TO THE INDUSTRY BCD-55**

Date: July 28, 2003  
To: All Peanut Warehouse Operators  
Subject: Peanuts Warehouse Rates

**Background**

The Farm Security and Rural Investment Act of 2002 (2002 Act) provides that peanuts are eligible for marketing assistance loans beginning with the 2002 crop year, which may be stored on farm or in a warehouse. It also provides that the Commodity Credit Corporation (CCC) will pay storage and handling and other associated costs for the 2002 through 2006 crops of warehouse-stored peanuts.

**Payment for Warehouse-Stored Loan Charges**

The 2002 Act allows CCC to pay for storage, handling, and associated costs to ensure proper storage of peanuts offered as CCC loan collateral for warehouse-stored marketing assistance loans. CCC has increased the receiving rate paid for peanuts for the 2003 crop year to \$30 per ton; the daily storage and load out rate will remain unchanged from 2002. County FSA offices will:

- Pay receiving charges associated with warehouse-stored loans directly to the warehouse after the loan has been disbursed.
- Deduct storage charges accrued while under loan to CCC from the repayment amount. Warehouse operators must collect storage from the producer when peanuts are redeemed from the loan.
- Use service rates based on the following table.

<b>Service</b>	<b>State</b>	<b>Rate per ton</b>
*Receiving	Alabama	\$35.50
	Arkansas	\$36.00
	Georgia	\$35.20
	Florida	\$35.25
	New Mexico	\$35.50
	North Carolina	\$30.00**
	Oklahoma	\$36.00
	South Carolina	\$37.00
	Texas	\$35.00
	Virginia	\$37.50
Daily storage rate (equivalent to \$2.71 per ton, per month)		\$0.089
Loading out, weighing, placing loan collateral peanuts on board railcars or trucks as directed by CCC		\$8.00

\*Rate includes \$30.00 plus the initial grading and inspection fee as determined by the State where the warehouse is located. Since the receiving rate in the above table includes the cost for grading of the peanuts, the cost of this service is the warehouse operator's responsibility and must be paid to the Federal-State inspection service (FSIS) from the receiving fees.

\*\*Rate will be increased to reflect fee assessed by North Carolina FSIS.

### **Warehouse Stored Charges for CCC-owned Peanuts**

If peanuts are forfeited to CCC, the Kansas City Commodity Office will pay the storage charges from the storage start date through the maturity date for all forfeited peanuts. Payment for storage of CCC-owned peanuts will be paid at the daily storage rate in the above table. CCC will pay load out charges for CCC-owned peanuts only when CCC orders this service. The payment schedule to warehouses for CCC-owned peanuts will be as provided in the Peanut Storage Agreement.

/s/ George Aldaya

George Aldaya  
Director