

For: State and County Offices, Peanut CMA's, and DMA's

Processing 2008 Crop Year (CY) Peanut Loans and LDP's Using APSS County Release No. 648

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (2008 Act) authorizes marketing assistance loan (MAL) and LDP programs for peanuts for the 2008 CY. General policies and procedures in 8-LP continue to be applicable to peanut MAL and LDP's for the 2008 CY. Additional instructions specific to peanut policies and procedures are found in Notice LP-2102 and include the following:

- 2008 CY loan rates, premiums and discounts for each type of peanut
- 2008 CY warehouse charges
- enhancements to the warehouse-stored MAL processing to:
 - determine the handling charges applicable to the quantity of peanuts offered as collateral for warehouse-stored MAL
 - process payment of handling charges associated with each warehouse-stored loan disbursement
- enhancements to warehouse-stored loan repayment to:
 - determine the amount of handling charges due on the quantity being redeemed
 - process the repayment of handling charges associated with each redemption.

Note: Software to process repayment shall be released in County Release No. 649.

Disposal Date	Distribution
August 1, 2009	State Offices; State Offices relay to County Offices, Peanut CMA's, and DMA's

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1 Overview (Continued)

A Background (Continued)

County Release No. 648 mailed on August 25, 2008, includes APSS enhancements to handle peanut MAL and LDP processing for the 2008 CY. The software release **does not** include software to process loan repayment, settlement, forfeiture, and the modification to **discontinue** the storage deduction if the storage has not been paid through the loan maturity date.

Refer to Information Bulletin No. 4535 to install the software that discontinues the storage deduction when disbursing warehouse-stored MAL.

B Purpose

This notice provides general instructions to State and County Offices for processing peanut MAL's and LDP's for the 2008 CY.

2 Basic Peanut Loan and LDP Program Information

A General Information

County Offices shall refer to the following:

- 12-PS for general instructions about APSS
- 15-PS for general instructions about eLDP processing
- 8-LP for general policies and procedures about loans and LDP programs
- 1-CMA for CMA and DMA policies and procedures
- Notice LP-2102 for additional policies and procedures for loans and LDP's
- Notice CMA-116 for additional policies and procedures for peanut CMA's and DMA's.

B Peanut Loan Rate for the 2008 CY

APSS will **automatically download** the 2008 loan rates and rate per percent of the total sound mature kernels (SMK) for peanuts for each peanut type during the software update process. The loan rates can be viewed by accessing the county-maintained tables and selecting the "Commodity Loan Rate Table" for peanuts.

Exhibit 1 shows the loan rates for peanuts for the 2008 CY. Additional discounts for Segregation (Seg.) 1 peanuts are in Exhibit 2.

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2 Basic Peanut Loan and LDP Program Information (Continued)

C Peanut Loan and LDP Processing

Process peanut loans and LDP's in APSS by selecting the applicable option from Price Support Main Menu PCA005. These options, which include the ability to use pre-processed files, are the same as the previous crop year.

MAL's may be:

- farm-stored certified
- farm-stored measured
- warehouse-stored.

LDP's may be processed in APSS as:

- farm-stored or warehouse-stored certified
- farm-stored measured
- receipted warehouse-stored quantity
- load summary sheets or scale ticket quantities.

External LDP applicants and County Offices may also use eLDP according to 15-PS and applicable notices. The following eLDP options are currently available for peanuts:

- farm-stored certified
- field direct
- load summary.

Note: The eLDP system **does not** have the ability to automatically upload electronic warehouse receipt (EWR) data when processing an application. However, EWR's may be downloaded by the County Office and used as production evidence for eLDP applications.

D Other Peanut Loan and LDP Features

The following program features are the same as the 2007 CY:

- assignments
- commodity certificate exchange
- commodity code and peanut type abbreviation
- interest rate
- program codes for loans and LDP's
- service fees.

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3 County-Maintained Table Files

A Updating the Peanut Offer Shipping Rate Table

Update the Peanut Offer Shipping Rate Table in APSS with the 2008 rates for peanut warehouse charges for each storing warehouse according to this table.

Step	Action
1	On Price Support Main Menu PCA005, ENTER "9".
2	On Menu PAA010, ENTER "3".
3	On Menu PAA015, ENTER "1".
4	On Menu PAA020, ENTER "3".
5	On Menu PAA79000, ENTER "6".
6	<p>On the Peanut Offer Shipping Rate Table:</p> <ul style="list-style-type: none"> • ENTER "U" to update the table • enter the warehouse code assigned to the warehouse • ENTER "7/01/08" as the "Effective Date" • ENTER "N" or "Y" to the question, "Is this a merged warehouse?" • enter or verify the State and county codes where the warehouse is located. <p>Note: If the message, "Warehouse is not in the Name and Address File. Please correct or press Enter", is displayed, PRESS "Enter" and Screen PAA79035 will be displayed. Enter the warehouse information in the Other Name and Address file according to 1-CM, paragraph 931 and subparagraph 4 B.</p>
7	<p>On Screen PAA79035, enter the following warehouse rates:</p> <ul style="list-style-type: none"> • storage = \$2.71 per ton/month • load-out = \$8.00 per ton. <p>Note: The CCC-approved warehouse rates for the 2008 CY were announced in Notice LP-2101.</p> <p>Important: CCC will pay handling charges on warehouse-stored peanut MAL's at loan disbursement; however, these charges have to be repaid when the loan is redeemed.</p>

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3 County-Maintained Table Files (Continued)

B Commodity Loan Rate Table

On Menu PAA020, ENTER “2” or “8” to verify that the loan rates were uploaded properly. Notice LP-2095 announced the peanut loan rates for the 2008 CY.

4 Warehouse-Stored Loan Processing in APSS

A General Warehouse-Stored Loan Information

When processing warehouse-stored loans, ensure that each loan has the same:

- date documents received date
- peanut type
- producer
- State where peanuts were inspected
- warehouse code.

Important: County Release No. 648 shall be used to process warehouse-stored MAL only for warehouse receipts with the “Storage Paid Through Date” the same or later than the loan maturity date. The APSS loanmaking software, which discontinues storage deduction when the “Storage Paid Through Date” is earlier than the loan maturity date, was broadcast on August 28, 2008. Refer to Information Bulletin No. 4535.

B Warehouse Information

Enter the warehouse information in the Other Name and Address file according to 1-CM, paragraph 931. For peanut warehouses, enter the following information:

- ID Number – enter the tax ID number provided by the warehouse
- ID Type – “E”
- Facility Code – “12”
- Warehouse Code – warehouse code assigned to the warehouse
- License Code:
 - “F” for federal warehouse license
 - “S” for State licensed warehouse
 - “U” for unlicensed warehouse
- Eligible for Designation – “Y”.

A list of approved peanut warehouses is available at
http://content.fsa.usda.gov/approved_whses/peanuts/approved_peanut_whses.asp.

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4 Warehouse-Stored Loan Processing in APSS (Continued)

B Warehouse Information (Continued)

To receive payment of handling charges associated with warehouse-stored MAL, warehouses shall:

- complete SF-1199A, if the warehouse is new
- update SF-1199A, if it is an existing warehouse
- submit SF-1199A to PSD.

SF-1199A may be found at <http://forms.sc.egov.usda.gov/efrms/formsearchservlet>.

C Date Document Received and Inspection State

When processing warehouse-stored loan, Screen PLC10005, will prompt the user to enter the:

- “Date Documents Received” date
- “State of Inspection”.

The “Date Documents Received” date shall be the actual date all required loan documents were received by the County Office. This shall be the later of the date:

- of loan request
- CCC becomes the holder of the receipt

Note: County Offices shall download EWR’s as soon as requests for loans are received. If download does not occur on the day of loan request, make a note of loan request date on the EWR Peanut Receipt Detail list and use this date to compare with other documents when determining the “Date Documents Received” date.

- of other applicable documents, like lien waiver (excluding lien search).

Note: The “Date Documents Received” date for the DMA-prepared MAL shall be the date of DMA loan disbursement. FSA Service County Offices shall process DMA loans using the same “Date Documents Received” date and “Disbursement Date” as the DMA-prepared loan.

The “State of Inspection” shall be the 2-digit State code where the peanuts were inspected. This shall be the same as the first 2 digits of the buying point number. If using EWR, the field will automatically be filled.

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4 Warehouse-Stored Loan Processing in APSS (Continued)

D Peanut Warehouse Receipt Validation

Screen PLC40000 shall have the information for each warehouse receipt. Enter the data manually if using paper receipt, or verify data displayed on the screen if using EWR.

Field	Description	Explanation
Warehouse Receipt Number	Warehouse receipt number associated with the receipt.	
Date Receipt Issued (mmddy)	Date warehouse receipt was issued.	
Storage Date (mmddy)	Date the storage starts to accrue.	
Date Storage Paid Through Date (mmddy)	Date through which storage has been paid.	
Net Tons	Net tons from warehouse receipt.	Tons of Kernels, including SMK's and SS, but excluding loose shelled Kernels (LSK's).
LSK Tons	LSK tons from warehouse receipt.	
Total Tons	Total tons from warehouse receipt.	Equal to Net Tons plus LSK Tons.
Storage Charge Per Unit	CCC-approved storage rate per ton.	
Prepaid In Charges	Prepaid in charges shown on the warehouse receipt.	
Prepaid Out Charges	Prepaid out charges shown on the warehouse receipt.	

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4 Warehouse-Stored Loan Processing in APSS (Continued)

E Calculating the Receipt Loan Amount

APSS shall determine the receipt loan amount of:

- Seg. 1 peanuts in the same manner as the 2007 CY using the:
 - 2008 CY loan rates in Exhibit 1
 - premiums and discounts in Exhibits 1 and 2
- Seg. 2 and Seg. 3 peanuts in the same manner as the 2007 CY using the loan rate in Exhibit 1.

Important: The warehouse-stored loanmaking software included in County Release No. 648 continues to apply storage deduction to the loan rate if storage has not been paid through the loan maturity date. **Do not** process any warehouse-stored MAL in APSS when the warehouse receipt shows that the “Storage Paid Through Date” is before the loan maturity date until the updated loanmaking software broadcast on August 28, 2008, is installed. Refer to Information Bulletin No. 4535.

It is strongly recommended to screen print Screen PLC11000, and file the printout in the loan folder for future reference.

F Storage Deductions

The 2008 Act requires CCC to pay handling, storage, and other associated costs when the peanuts are forfeited to CCC. As a result, the loan rate will not be reduced for storage deduction when processing warehouse-stored MAL. See Notice LP-2102 for additional information.

G Discounts on Quality Factors

Seg. 1 warehouse-stored peanuts shall have additional discounts based on the percent damage, foreign materials (FM), and sound splits (SS), indicated on the warehouse receipt. The discount rates shown in Exhibit 2 and the manner of applying the discounts are unchanged from the previous CY.

Note: No additional discounts shall be applied to Seg. 2 and Seg. 3 peanuts.

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4 Warehouse-Stored Loan Processing in APSS (Continued)

H Determining Loan Quantity and Loan Amount

APSS shall determine the loan quantity (Total Tons) in the same manner as the previous CY, which shall be the net tons (excluding LSK) plus LSK tons.

Note: Total loan amount shall be the sum of the receipt loan amounts for all receipts included in the loan.

I Determining the Amount of Handling Charges

APSS shall determine the amount of handling charges applicable to each load of peanuts offered as collateral for warehouse-stored MAL by multiplying the loan quantity times the CCC-approved rate of handling charges. Refer to Notice LP-2101 for the 2008 CY rates. The calculated amount shall be:

- displayed on the Warehouse Receipt Summary for Peanuts Report, block 8
- CCC-678.

Note: The load-in payment associated with the loan shall be repaid according to subparagraph 6 E, when the quantity is redeemed.

J Warehouse Receipt Summary for Peanuts Report

The Warehouse Receipt Summary for Peanuts Report contains data associated with each loan. Use the Warehouse Receipt Summary for Peanuts Report to verify the following:

- grade factors shown on the report match with the warehouse receipt information
- receipt loan amount and total loan amount are correct
- disbursement date in block 4 is correct
- warehouse code in block 5 is correct
- date document received in block 6 is correct
- load-in charges in block 8 are correct according to subparagraph I
- research and promotion fee is correct according to paragraph 5.

Note: This amount refers to the assessment collected on behalf of the National Peanut Board, and should be the same as the "Marketing Assessment" amount printed on CCC-678.

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4 Warehouse-Stored Loan Processing in APSS (Continued)

J Warehouse Receipt Summary for Peanuts Report (Continued)

File a copy of the report in the producer's loan folder for future reference.

Note: Correct errors in the loan by reversing the loan using Menu PCA005, option 7 then, re-entering the correct loan as a manual loan and answering "Y" that it is a re-entry of a corrected loan on Screen PCA12000. See 12 PS, Part 11 for additional instructions on corrections.

5 Commodity Peanut Assessments for Peanuts

A General Information

APSS shall automatically calculate and deduct the authorized amount of assessment from MAL's at disbursement and display these deductions on:

- Screens PLC12000 and PLC12005 when completing warehouse-stored loans
- Screens PLB13500 and PLB13505 when completing farm-stored loans.

B Assessment Deductions

The amount of assessment deductions shall be printed on CCC-677 and CCC-678 as:

- "Assessments" for authorized State commodity assessment
- "Marketing Assessments" for the national research and promotion fee collected for the National Peanut Board.

A list of peanut assessments approved for the 2008 CY may be found in Notice LP-2102.

Note: DMA and CMA Service County Offices must ENTER "0" in the "Marketing Assessment Amount" field when completing CMA and DMA loans in APSS.

Peanut DMA's and CMA's shall be responsible for collecting and remitting **all** authorized commodity assessments including the national research and promotion fee to the applicable entity.

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6 Processing Peanut Loan Repayment in APSS

A Loan Repayment Options

Screen PPD00000 will display the available loan repayment options. These are the same as the previous CY's. Select the type of repayment to be processed according to the following.

Warning: Do not record any peanut repayment until the software to process peanut repayments in APSS is released.

Menu Option	Description
1	“Regular Repayment”, calculates repayments at principal plus interest (P+I).
2	“Commodity Certificate Repayment”, calculates certificate exchange at CCC-determined value based on the National Posted Price (NPP) (alternative repayment amount).
3	“Market Price Repayment”, calculates repayments at the lower of: <ul style="list-style-type: none">• P+I• CCC-determined value based on NPP (alternative repayment amount).

B Regular Repayment

APSS will calculate the interest applicable to the loan subject to January 1 adjustment. See 8-LP, Part 9 for general policies on repayments. Applicable interest is assessed at the earlier of the following:

- date of settlement
- repayment date for loans disbursed by CCC-184
- second day before date of repayment for loans disbursed by electronic funds transfer.

Use the regular repayment option for either of the following:

- to process **Seg. 2** and **Seg. 3** peanut repayments
- when specific instructions to use this option are issued.

See 12-PS, Part 7, Section 2 for additional APSS instructions.

C Commodity Certificate Repayment

Select the commodity certificate repayment option for outstanding loan collateral eligible for commodity certificate exchange. See:

- 8-LP, Part 9, Section 8 for policies on commodity certificate exchanges
- 12-PS, Part 7, Section 3 for additional APSS instructions.

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6 Processing Peanut Loan Repayment in APSS (Continued)

D Market Price Repayment

APSS will calculate market price repayment at the lower of the calculated P+I or the CCC-determined value based on NPP (alternative repayment amount).

Use the market price repayment option to process **Seg. 1** peanut repayments and when the loan will not be redeemed using a commodity certificate.

The following provides general information on market price repayment.

IF NPP is...	THEN...
equal to National loan rate (NLR)	<ul style="list-style-type: none">• repay at the alternative repayment amount• interest is forgiven• market gain is not applicable.
less than NLR	<ul style="list-style-type: none">• repayment is the alternative repayment amount• interest is forgiven• market gain is the difference between principal liquidated and alternative repayment amount.
greater than NLR	<ul style="list-style-type: none">• repayment is P+I <p>Note: Repayment shall not be greater than the alternative repayment amount.</p> <ul style="list-style-type: none">• interest is partially forgiven, if P+I is greater than the alternative repayment amount• market gain is not applicable.

See:

- 8-LP, Part 9, Section 2 for policies on market loan repayments
- 12-PS, Part 7, Section 4 for additional instructions on processing market loan repayments.

E Repayment of Handling Charges

APSS shall determine the handling charges repayment amount associated with the receipt quantity being redeemed. The amount of handling charges due shall be calculated by multiplying the loan quantity being redeemed times the CCC-approved handling charges applicable to the loan.

The calculated amount shall be:

- displayed on the repayment summary screen, PPD13800 or PPD64400.
- printed on CCC-500, "Remarks" section
- added to the amount due at repayment.

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7 Peanut Settlements/Forfeitures

A Peanut Settlements

APSS shall process peanut settlements using the applicable loan rates, and premiums and discounts shown in Exhibits 1 and 2.

B Peanut Forfeitures

APSS shall process peanut forfeitures in the same manner as the 2007 CY.

8 Processing LDP's in APSS

A General Information

LDP's will be calculated in the same manner as the previous CY. See http://www.fsa.usda.gov/Internet/FSA_File/peanut.xls for LDP rates for peanuts.

Note: When using a receipt as production evidence, use the "Total Tons" shown on the receipt when determining the quantity in the "Net Tons" field.

See 15-PS and applicable notices for instructions on processing eLDP's.

B LDP's for Green Peanuts and Peanuts for Hay

Green peanuts and peanuts for hay are eligible for certified LDP's **only**. On LDP Screen PGA10000, enter the following:

- Commodity field, ENTER "PNUT"
- Class/Variety field, ENTER "GRN" for green peanuts or "HAY" for peanuts for hay
- Crop Year field, Enter the last 2 digits of the applicable CY
- "Does this LDP have multiple producers", will be displayed, ENTER "Y" or "N"
- PRESS "Enter".

Note: An additional line, labeled "Class/Variety", if other than grain will be displayed. Enter the applicable peanut type according to the LDP application being processed.

See Notice LP-2102 for more information.

Peanut Rates and Premiums for 2008 Crop Year

The following provides peanut rates for the 2008 CY.

Seg. 1 Peanuts		
Peanut Type	National Loan Rate Per Ton	Rate Per Percent Total Sound Mature Kernels (SMK)
Virginia	\$357.32	\$4.939
Runner	\$354.75	\$4.842
Spanish – SW	\$348.95	\$4.818
Spanish – SE	\$348.95	\$4.818
Valencia	\$357.32	\$5.219
ALL PEANUT TYPES		
Loose Shelled Kernels (LSK)	\$140	
Other Kernels (OK)		\$1.40
Extra Large Kernels (LSK) – Virginia only		\$.35
Seg. 2 and Seg. 3 Peanuts		
Virginia	\$125.06	No Additional Premiums and Discounts
Runner	\$124.16	
Spanish – SW	\$122.13	
Spanish – SE	\$122.13	
Valencia	\$125.06	

Peanut Discounts Table

The following provides discounts for Seg. 1 peanuts.

Damage	
Percent	Deduction
1	
2	\$3.40

Foreign Material	
Percent	Deduction
1	
2	
3	
4	
5	\$1.00
6	\$2.00
7	\$3.00
8	\$4.00
9	\$5.00
10	\$6.00
11	\$7.00
12	\$8.50
13	\$10.00
14	\$11.50
15	\$13.00
Above 15 percent	\$13.00 + \$2.00 for each percent over 15 percent

SS	
Percent	Deduction
1	
2	
3	
4	
5	\$0.80
6	\$1.60
7	\$2.40
8	\$3.20
9	\$4.00
10	\$4.80
11	\$5.60
12	\$6.40
13	\$7.20
14	\$8.00
15	\$8.80
Above 15 percent	\$8.80 + \$0.80 for each percent over 15 percent