



NOTICE TO THE INDUSTRY BCD-72

United States
Department of
Agriculture

Farm and Foreign
Agricultural Services

Farm Service
Agency

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Commodity Office
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Date: June 23, 2004
To: All Peanut Warehouse Operators
Subject: CCC Warehouse Rates for Peanuts

Background

The Farm Security and Rural Investment Act of 2002 (2002 Act) provides authority for marketing assistance loans on peanuts. Commodity Credit Corporation (CCC) will pay storage, handling, and other associated costs for the 2002 through 2006 crops of peanuts that are pledged as loan collateral and stored in a warehouse with an approved Peanut Storage Agreement.

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. The base receiving rate of \$30.00 per ton will remain unchanged for the 2004 crop year, as will storage and loadout rates. CCC will:

- Pay \$30.00 per ton receiving charges associated with warehouse-stored loans directly to the warehouse after the loan has been disbursed,
- Add the per ton initial grading and inspection fee to the base receiving rate, according to the Federal State Inspection Service (FSIS) fee schedule for the applicable State (based on the location of the buying point),
- Deduct storage charges accrued while under CCC loan from the loan repayment amount, and

Note: Warehouse operators must collect storage from producers when peanuts are redeemed from loan.

- Use service rates based on the following table, effective July 1, 2004.

SERVICE TYPE (effective July 1, 2004)	STATE	RATE (per ton)
CCC-LOAN RECEIVING The rate in the right hand column includes \$30.00 for all States, plus the initial grading and inspection fee charged by FSIS for the applicable State (based on the location of the buying point). Accordingly, the warehouse operator is responsible to pay applicable fees to FSIS.	Alabama	\$35.75
	Arkansas	\$36.00
	Florida	\$35.25
	Georgia	\$35.20
	New Mexico	\$35.50
	North Carolina	\$36.75
	Oklahoma	\$36.00
	South Carolina	\$37.00
	Texas	\$35.00
	Virginia	\$37.50
CCC-OWNED RECEIVING Rate covers only receiving of peanuts owned by CCC. Other charges, such as inspection, are covered by the CCC-loan receiving charge previously paid.	ALL	\$8.00
STORAGE The daily storage rate is based on a monthly storage rate of \$2.71 per ton.	ALL	\$0.089 (per day)
LOADOUT The loadout rate includes all items associated with loading out CCC-interest peanuts, including weighing and placing peanuts aboard railcars or trucks, as directed by CCC.	ALL	\$8.00

Warehouse Storage Charges for CCC-owned Peanuts

In the event peanuts are forfeited to CCC, storage charges will be paid by CCC for the quantity forfeited, from the storage start date through the loan maturity date. Subsequent payments for the storage of CCC-owned peanuts will be made based on the schedule as provided in the Peanut Storage Agreement.

Loadout Charges

CCC will pay load out charges for CCC-loan or CCC-owned peanuts only when this service is ordered by CCC.

/s/

Steven P. Miteff
Acting Director