

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

**2006 Policy and Procedures for Peanut Marketing Activities**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Farm Security and Rural Investment Act of 2002 (2002 Act) dramatically changed the peanut marketing procedures for 2002 and subsequent crop farmer's stock peanuts. Basic changes to the automated system of data processing and transfer include, but are not limited to, the following:

- FV-95 will continue to be used as a note sheet to record the official peanut inspection and grading information
- FSA-1007 approved template provided to the industry will continue to be used
- FSA-1007 data will continue to be transmitted to the FSA-Data Collection Center (FSA-DCC) in Kansas City
- Warehouse Receipt for Peanuts will be required to apply for a warehouse-stored marketing assistance loan (MAL)
- new handlers should request handler numbers through PSD
- new buying points should request buying point numbers through Fruit and Vegetable Branch, AMS
- wire transfer may be used for repaying peanut MAL's.

<b>Disposal Date</b>	<b>Distribution</b>
August 1, 2007	Peanut State Offices; State Offices relay to County Offices, Peanut CMA's, and DMA's

## Notice LP-2039

### 1 Overview (Continued)

#### B Purpose

This notice:

- provides State and County Office responsibilities associated with peanut marketing activities for the 2006 crop
- highlights PSD, KCAO, DACO, EWR, Inc. (Provider), peanut handler/sheller, and buying point responsibilities
- defines the roles of other entities involved in peanut marketing activities
- provides policy and procedures for:
  - handling:
    - statement of charges attached to peanut warehouse receipts
    - segregation 1, 2, and 3 peanut loan and LDP requests
    - peanuts harvested as green, hay, or feed
    - 2006 through 2007 crop year peanuts MAL and LDP program
    - eligible farm storage
    - CCC-633EZ
    - beneficial interest
  - determining the eligible:
    - LDP quantity when using FSA-1007 for production evidence
    - loan and LDP when using a warehouse receipt
- authorizes offset charges associated with custom harvesting and seed accounts.

**Note:** Previous policy only authorized cleaning and drying.

#### C Contact

If there are any questions about this notice, contact Tonye Gross, PSD, by:

- e-mail at [tonye.gross@wdc.usda.gov](mailto:tonye.gross@wdc.usda.gov)
- telephone at 202-720-4319
- FAX at 202-690-1536.

**Note:** County Offices shall route questions through their State Office.

## Notice LP-2039

### 2 Responsibilities

#### A PSD Responsibilities

PSD shall provide:

- guidelines and procedures for marketing farmer's stock peanuts to peanut handlers/shellers and buying points
- guidelines for obtaining MAL or LDP
- overall program integration.

#### B KCAO Responsibilities

KCAO shall do the following.

Step	Action
1	Operate FSA-DCC.
2	Receive, process, and distribute FSA-1007 transmission files.
3	Provide technical support on issues about FSA-1007 transmissions.  <b>Note:</b> This does <b>not</b> include support of the buying point automation software.
4	Generate FSA-1007 transmission reports.
5	Monitor mandatory "TEST" and DAILY" transmission activity.

#### C State Office Responsibilities

State Offices shall do the following.

Step	Action
1	Inform buying points and handlers/shellers that technical questions about FSA-1007 processing and transmissions shall be handled by handler/sheller representatives.
2	Contact PSD for questions about buying point automation procedures and peanut MAL's and LDP's.
3	Refer questions on peanut inspection and grading to Federal-State Inspection Service, AMS.  <b>Note:</b> See Exhibit 1 for Federal-State Inspection Service, AMS contact information.
4	Contact PSD for ID's and passwords needed to process electronic warehouse receipts (EWR's).
5	Inform County Offices, Peanut CMA's, and DMA's of the contents of this notice.

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**2 Responsibilities (Continued)**

**D County Office Responsibilities**

County Offices shall do the following.

<b>Step</b>	<b>Action</b>
1	Inform producers that: <ul style="list-style-type: none"> <li>• the FSA-1003 Producer ID Information Summary Report is available.</li> <li>• they will be responsible for tracking their peanut production</li> <li>• they will be responsible for maintaining beneficial interest.</li> </ul>
2	Inform peanut producers that they will be responsible for keeping track of individual producer shares for each load of peanuts delivered for commercial sale, warehouse-stored MAL, or LDP.
3	Inform peanut producers and handlers/shellers to contact Federal-Service Inspection Service, AMS for questions associated with peanut inspection and grading. <p><b>Note:</b> See Exhibit 1 for Federal-Inspection Service, AMS contact information.</p>
4	Instruct buying points and handlers/shellers to contact the handler/sheller designated representative for technical questions about FSA-1007 processing and transmissions.
5	Instruct peanut producers to contact the warehouse operator for questions about the contents of the Warehouse Receipt for Peanuts.
6	Inform peanut producers that warehouse-stored MAL's will be based on the Warehouse Receipt for Peanuts.
7	Remind peanut producers, handlers/shellers, and warehouse operators that County Offices, CMA's, and DMA's <b>shall not</b> : <ul style="list-style-type: none"> <li>• receive FSA-1007 transmissions</li> <li>• handle corrections to FSA-1007 and Warehouse Receipt for Peanuts.</li> </ul>
8	Inform peanut producers, buying points, handlers/shellers, warehouse operators, and other entities associated with the peanut industry of the contents of this notice.

**Notice LP-2039**

**2 Responsibilities (Continued)**

**E Peanut Handler/Sheller Responsibilities**

Peanut handlers/shellers shall do the following.

<b>Step</b>	<b>Action</b>
1	Continue to use the assigned handler number and buying point number.  <b>Note:</b> New peanut handler/sheller must contact PSD for handler number assignment. New buying points must continue to be registered with Federal-State Inspection Service, AMS.
2	Provide affiliated peanut buying points with software and hardware to process and transmit <b>all</b> FSA-1007 records to FSA-DCC following the requirements established by FSA.
3	Instruct affiliated buying points on the continued use of FSA-1007 to reflect official results of farmer's stock inspection. Using FSA-1007's following the guidelines issued by FSA.
4	Designate a handler/sheller technical representative who will provide technical support and training to affiliated buying points.
5	Contact the FSA National Help Desk for questions about transmissions to FSA-DCC. See to paragraph 10 for FSA National Help Desk information.
6	Call the FSA National Help Desk before sending test transmissions to FSA-DCC.
7	Ensure that <b>all</b> FSA-1007 records processed by all affiliated buying points are transmitted daily to the FSA-DCC following the guidelines issued by FSA.
8	Contact FSA, Web Room at 1-800-255-2434 to request a new transmission ID and password to transmit to FSA-DCC.
9	Inform peanut producers that warehouse-stored MAL's will be processed based on the Warehouse Receipt for Peanuts.
10	Instruct affiliated buying points that corrections to peanut grading and inspection data will be handled by Federal-State Inspection Service, AMS. Transmitted records with errors in FSA-1007, Section I will be superseded upon approval by the Federal-State Inspection Service, AMS inspector.  <b>Note:</b> There is no need to notify the FSA County Office of superseded or corrected FSA-1007's.
11	Submit end-of-season reconciliation file (Recon.dat) to KCAO after completing all marketing activities for the 2006 crop year.
12	Complete the online peanut handler/sheller and buying point profile survey at <a href="http://www.fsa.usda.gov/peanuts/default.asp">http://www.fsa.usda.gov/peanuts/default.asp</a> .
13	Print the buying point number where the peanuts were inspected on the Warehouse Receipt for Peanuts. If using EWR, complete the buying point number field as identified in the file layout when creating the receipt.
14	Follow 2006 Industry Guidelines issued by PSD.
15	If using EWR, follow the requirements issued by the Provider.

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### 2 Responsibilities (Continued)

#### F Buying Point Responsibilities

Buying points shall do the following.

Step	Action
1	Install peanut buying point hardware and software following the instructions provided by the affiliated peanut handler/sheller.
2	Continue to use the assigned buying point number and handler number.  <b>Note:</b> New buying point numbers will be assigned by AMS. See Exhibit 1 for Federal-State Inspection Service, AMS contact information.
3	Follow the instructions issued by the handler/sheller about FSA-1007 processing and transmissions.
4	Contact affiliated handler/sheller representative for technical software support.
5	Inform peanut producers that warehouse-stored MAL's will be processed based on the Warehouse Receipt for Peanuts.
6	Contact Federal-State Inspection Service, AMS for questions about peanut grading, inspection, and FV-95 authentication code signatures.
7	Direct peanut producers to their local County Office for questions about warehouse-stored MAL's and LDP's.
8	Create a backup of all FSA-1007 transmissions and keep the backup until all marketings for the 2006 crop year have been reconciled.
9	Print the buying point number on the Warehouse Receipts for Peanuts if issuing receipts from this location.
10	Follow 2006 Industry Guidelines issued by PSD.

#### G Federal-State Inspection Service, AMS Responsibilities

Federal-State Inspection Service, AMS shall do the following.

Step	Action
1	Continue to assign buying point numbers and notify KCAO and PSD of newly assigned numbers.
2	Sign and date FSA-1007, Section I.
3	Approve superseded FSA-1007 to correct errors in a transmitted FSA-1007, Section I.
4	Handle questions about grading, inspection, and FV-95 authentication code signatures.
5	Issue official FSA-1007 serial numbers provided by PSD .

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### 2 Responsibilities (Continued)

#### H DACO Responsibilities

DACO shall do the following.

Step	Action
1	Handle questions about peanut warehouses storing farmer's stock peanuts offered as collateral for warehouse-stored MAL's.
2	Handle issues about rates for storage, handling, and associated costs for warehouse-stored loan collateral and forfeited peanuts.
3	Handle questions about Peanut Storage Agreements and Warehouse Receipts for Peanuts.
4	Handle warehouse receipt corrections for peanuts, as applicable.
5	Maintain a current list of approved peanut warehouses.

#### I Provider Responsibilities

The Provider shall do the following.

Step	Action
1	Provide assistance and information to shellers/handlers interested in using EWR's at their warehouse locations.
2	Store and maintain a centralized database of all EWR's in a secure manner.
3	Provide County Offices with warehouse receipt data to process loans and LDP's in APSS.

### 3 Marketing of Segregation 1, Segregation 2, and Segregation 3 Peanuts

#### A Segregation 1 Peanuts

Segregation 1 peanuts are subject to premiums and discounts based on the grade factors shown on the warehouse receipt.

#### B Segregation 2 and 3 Peanuts

Segregation 2 and 3 peanuts are eligible for nonrecourse MAL's or LDP's. The quantity of Segregation 2 and 3 peanuts eligible for loan or LDP shall be the net weight (excluding foreign material and excess moisture) of the load, and including the loose shelled kernels (LSK) pounds or tons.

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### 3 Marketing of Segregation 1, Segregation 2, and Segregation 3 Peanuts (Continued)

#### B Segregation 2 and 3 Peanuts (Continued)

Segregation 2 and 3 peanuts pledged as collateral for loan will:

- be discounted to 35 percent of the national loan rate for the applicable type
- **not** be subject to any other premiums or discounts.

Segregation 2 and 3 peanuts are eligible for LDP. Eligible quantity will be based on net quantity according to the acceptable production evidence.

#### C Reinspecting Segregation 3 Peanuts

Farmer's stock peanuts graded Segregation 3 may be reconditioned at the buying point to remove foreign material and loose-shelled kernels. When a load of peanuts is presented for regrade, a copy of FV-95 must be presented to the inspector to identify the load.

### 4 Peanuts Harvested for Green Peanuts

#### A Definition of Green Peanuts

Green peanuts are peanuts that, before drying or removal of moisture from the peanuts either by natural or artificial means, are marketed by the producer for consumption exclusively as boiled peanuts.

**Note:** Peanuts harvested as green peanuts are eligible for LDP's.

#### B Using NAP Crop Planting Periods

To ensure that producers receive LDP program benefits for the applicable crop years production, County Offices shall use the NAP crop planting periods to establish final planting and harvest dates for green peanuts since there is a wide range of planting and harvest dates in some States.

#### C NAP Crop Information Tables

See 1-NAP, Exhibit 7.5 for NAP crop information tables.

**Note:** County Offices **must** determine the maximum eligible quantity according to 8-LP, paragraph 536.



**5 Statement of Charges**

**A Authorizing Offsets of Unpaid Charges**

8-LP, paragraph 410 provides policies for authorizing offsets of amounts, contained on a separate statement of unpaid charges or a separate bill for unpaid charges, from the loan proceeds. These charges must be associated with the:

- handling of the commodity represented by the warehouse receipt
- marketing of the commodity pledged for loan collateral.

For peanuts, County Offices are authorized to **only** offset charges associated with cleaning, drying, custom harvesting, and seed accounts of peanuts from the producer's loan proceeds. These charges are **not** considered a lien, but must be included on CCC-679, item 8 (3), if an offset will be made for these charges.

**B Request for Additional Charges To Be Offset**

State and County Offices and DMA's must request DAFP concurrence for any charges, except for cleaning, drying, custom harvesting, and seed accounts costs associated with the handling of peanuts that will be offset from a producer's loan proceeds.

**6 Minimum Quality Standards**

**A Segregation 1 Peanuts**

Segregation 1 peanuts are farmer stock peanuts with no more than 2.49 percent damaged kernels; no more than 1 percent concealed damage caused by rancidity, mold, or decay; and are free from visible *Aspergillus flavus*.

**B Segregation 2 Peanuts**

Segregation 2 peanuts are farmer stock peanuts with more than 2.49 percent damaged kernels; no more than 1 percent concealed damage caused by rancidity, mold, or decay; and are free from visible *Aspergillus flavus*.

**C Segregation 3 Peanuts**

Segregation 3 peanuts are farmer stock peanuts with visible *Aspergillus flavus*.

**6 Minimum Quality Standards (Continued)**

**D Loan Eligibility**

For loan eligibility, peanuts:

- must **not** contain less than 2.49 percent or more than 10.49 percent moisture
- that contain more than 10.49 percent foreign material will be discounted according to the discount table provided in a future PS notice.

**7 Designation of Agent (CCC-605P, CCC-605P-1, and CCC-605P-2)**

**A Producer Responsibility**

Producers may designate an agent to redeem all or a portion of the peanuts pledged as collateral for MAL.

Designation of an agent does **not** relieve the producer from the terms and conditions of the note and security agreement. Agents:

- designated may transfer the designation to a subsequent agent on CCC-605P by endorsement
- subsequently designated may transfer the designation to other subsequent agents on CCC-605P-2 by endorsement.

**B Authorized Signatures of Agents**

Each sheller/handler or entity **must** provide a listing of authorized agent/representative with sample signatures for designated agents from their company to PSD and the State Office. The State Office will provide a copy of all authorized agents' signatures to each peanut County Office in their State.

**C Clarification**

CCC-605P, item 12 will only need to be signed by the agent if requesting for commodity certificate exchange.

**8 Peanut MAL's and LDP Provisions**

**A Peanuts Harvested for Hay**

Peanuts harvested for hay are eligible for LDP's. County Offices must determine the maximum eligible quantity.

**8 Peanut MAL's and LDP Provisions (Continued)**

**B Warehouse Load-In Charges**

The 2002 Act authorized CCC to pay handling, storage, and associated costs for all peanuts placed under loan for the 2002 through 2006 crop years. For the 2006 crop year, the applicable rate will be determined by the physical location of the buying point where the inspection is conducted. The load-in payments for peanuts will be paid to the "Parent Warehouse" on a monthly basis. The 2006 warehouse rates will be issued in a future LP notice.

CCC will pay storage charges accrued from the date **all** documents required from the producer for the peanuts warehouse-stored loan are provided to the County Office through the date of the repayment or forfeiture.

**Note:** Storage credit and load-in charges will be paid on warehouse-stored loan collateral peanuts only. Farm-stored loans are **not** eligible to receive load-in charges or storage credits.

**C Loan Rates by Peanut Type**

The loan rates by peanut type were issued in Notice LP-2028.

**D Beneficial Interest**

To obtain an MAL or LDP the producers **must** have beneficial interest in the peanuts at the time of the request. CCC has determined that if a producer has control of the commodity, it is assumed that the producer has risk of loss of the commodity; therefore, the risk of loss component is removed when determining whether a producer has beneficial interest in the commodity. Beneficial interest consists of the producer maintaining control of the commodity and title to the commodity. If either of these conditions are not true, the producer does not have beneficial interest in the peanuts. There are **no** provisions for waiving beneficial interest for the 2006 and subsequent crop years.

**Notes:** For the 2006 crop year, FSA-1007 may be considered acceptable production evidence only if a producer has filed a completed CCC-633 EZ, pages 1 and 2, and the peanuts are immediately sold upon delivery. The date the peanuts are sold will be the date:

- printed in the "Date Delivered for Immediate Sale" field under FSA-1007, columns R, S, and T
- used when determining when beneficial interest is lost.

This date should **not** exceed 72 hours from "Date Inspected" in FSA-1007, Section I.

## 8 Peanut MAL's and LDP Provisions (Continued)

### E Approved Contracts

Any contract that has been reviewed and approved by FSA for determining the loss of beneficial interest is not interchangeable or replaceable unless the contract is amended, revised, or canceled before the earlier of the date:

- peanuts are harvested
- beneficial interest is lost.

Any written and/or verbal agreement or revision to an approved contract, with or without the producer's awareness, may cause the producer to lose beneficial interest and could result in refund of unearned benefits to CCC.

### F Loan Service Fee

The service fee for peanut loans shall be the smaller of:

- $\frac{1}{2}$  of 1 percent times the gross loan amount
- \$45 per loan plus \$3 for each receipt or bin more than 1.

### G Eligible Farm Storage

Peanuts stored in approved farm-storage structures are eligible for farm-stored loans. Eligible farm storage structures must:

- be located on or off of the farm, excluding public warehouses
- provide safe storage for the peanuts through the loan maturity date
- be measurable.

Peanuts can be stored in bags if all of the conditions provided in 8-LP, paragraph 424 are met for storing commodities in bags. Peanut wagons are considered eligible storage structures for farm-stored loans.

### H National Posted Price (NPP)

NPP for peanuts will:

- be announced each Tuesday at 3 p.m. e.t. for each of the 4 types of peanuts
- become effective on Wednesday at 12:01 a.m.

NPP rates are used to determine the alternative loan repayment rates for MAL's and to determine LDP's. Producers will repay outstanding peanut MAL's at a rate that is the lesser of the principal plus interest or NPP. When NPP for peanuts is less than the national loan rate for the applicable type, producers can request LDP instead of a MAL.

The rates can be obtained at <http://www.fsa.usda.gov/dafp/psd/peanut.htm>.

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### 8 Peanut MAL's and LDP Provisions (Continued)

#### I Peanut Electronic Warehouse Receipt

PSD has been authorized to continue using EWR's for peanuts for the 2006 crop year. The Provider will be responsible for maintaining a central database for all EWR's for peanuts. Following the guidelines issued by FSA, the Provider, operating under an agreement with DACO, shall:

- store, transfer, and cancel the movement of the EWR information in a secure manner
- provide PSD with peanut EWR data that will be used by APSS in the FSA County Office to process MAL's and LDP requests.

Notice PS-561 provides instructions for using peanut EWR's. The EWR User Guide is available at <http://www.fsa.usda.gov/dafp/psd/Peanut.html>.

#### J Peanut Promotion and Research Fees

7 CFR Part 1405 provides CCC the authority to collect commodity assessments from the proceeds of the MAL's when the proceeds from MAL's are disbursed.

The following entities are the authorized commodity assessment deductions for the 2006 crop year.

Entity Name	Applicability	Rate
National Peanut Board	All farm-stored and warehouse-stored MAL's.	1 percent of total loan amount.
North Carolina Peanut Growers Association	All farm-stored and warehouse-stored MAL's for peanuts produced in North Carolina.	\$.15 per pound or \$3.00 per ton of loan quantity.
Oklahoma Peanut Commission	All farm-stored and warehouse-stored MAL's for peanuts produced in Oklahoma.	\$2.00 per ton of loan quantity.
Texas Peanut Producers Board	All farm-stored and warehouse-stored MAL's for peanuts produced in Texas.	\$2.00 per ton of loan quantity.

The amount deducted will be printed on CCC-677's and CCC-678's as:

- Marketing assessment for the National Research and Promotion fee.
- Assessment for all authorized State commodity assessment fees.

#### K DMA and CMA Peanut Research and Promotion Fee Collection

Peanut DMA's and CMA's shall be responsible for collecting the research and promotion fee from the producer and remitting that amount to the National Peanut Board and all approved applicable State entities. DMA and CMA Service County Offices **must** enter zero in the Marketing Assessment field.

## Notice LP-2039

### 8 Peanut MAL's and LDP Provisions (Continued)

#### L Determining MAL and LDP Quantities

Eligible quantities for:

- MAL's on warehouse-stored segregation 1, 2, and 3 peanuts shall be the "Total Tons", that is the sum of "Net Tons" and "Net LSK Tons", from the Warehouse Receipt for Peanuts.
- LDP's requested on all grades of peanuts using:
  - a Warehouse Receipt for Peanuts shall be the "Total Tons" that is the sum of "Net Tons" and "Net LSK Tons"
  - FSA-1007 shall be the "net weight" provided on Section II, item G.

Applicable LDP rates for peanuts can be obtained at <http://www.fsa.usda.gov/dafp/psd/Peanut.htm>.

**Note:** See Exhibit 2 for examples of determining eligible MAL and LDP quantities.

### 9 Peanut Warehouse-Stored Loans

#### A Peanut Forfeitures

8-LP, Part 11 is applicable for processing peanut warehouse-stored loan forfeitures. However, County Offices, Peanut CMA's, and DMA's should follow steps in LP-2007 and PS-521 to determine if the producer shall be billed for storage from the date the commodity was put into storage to the date before all loan documents are received by the County Office. Forfeited EWR's shall be handled according to Notice PS-550.

**Exception:** Peanut warehouse-stored loan forfeitures should be processed in APSS immediately. There is **no** waiting period after the loan maturity date.

#### B Reconciling Peanut Warehouse-Stored Loans

See 8-LP, Part 8, Section 3 and Notice PS-510 for policy and procedures for reconciling peanut warehouse-stored loans.

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### 10 FSA National Help Desk Technical Assistance

#### A Contact Information

Designated handler/sheller representatives may call the FSA National Help Desk at 816-926-1552 for technical support relating to FSA-DCC and FSA-1007 transmissions.

#### B Hours of Operation

FSA National Help Desk calls:

- will be answered directly Monday through Friday from 8 a.m. to 5:30 p.m. c.t.
- received after workhours will be recorded by voicemail and returned the next workday morning.

**Federal-State Inspection Service, AMS Contact Information**

The following are Federal-State Inspection Service; AMS contact persons, addresses, and telephone numbers.

<b>Southeast (Alabama, Florida, Georgia, and Mississippi)</b>	
<b>Federal Contacts</b>	<b>State Contacts</b>
<p>Mr. Bill Norrell                      Mr. Robert Spann                      Federal Program Managers                      USDA, AMS, FVP, Fresh Products Branch                      PO Box 3999                      Haines City, FL 33845-3999</p> <p><b>Telephone:</b> 863-421-0973  <b>FAX:</b> 863-421-6783</p>	<p>Mr. Donald Dozier                      Alabama Federal-State Inspection Service                      PO Box 1368                      Dothan, AL 36302</p> <p><b>Telephone:</b> 334-792-5185  <b>FAX:</b> 334-671-7984</p> <p>Mr. Ben Shoemaker                      Florida Federal-State Inspection Service                      PO Box 566                      Graceville, FL 32440</p> <p><b>Telephone:</b> 850-263-3204  <b>FAX:</b> 850-263-7382</p> <p>Mr. Charles Beasley                      Florida Federal-State Inspection Service                      PO Box 1072                      Winter Haven, FL 33882-1072</p> <p><b>Telephone:</b> 863-291-5820  <b>FAX:</b> 863-291-5215</p> <p>Mr. Ronald Wood (Acting)                      Georgia Federal-State Inspection Service                      PO Box 71767                      Albany, GA 31708-1767</p> <p><b>Telephone:</b> 229-432-7505  <b>FAX:</b> 229-438-8920</p> <p>Mr. Danny Mayfield                      MDAC/Federal State Inspection Service                      PO Box 1609                      Jackson, Mississippi 39215-1609</p> <p><b>Telephone:</b> 601-359-1146  <b>FAX:</b> 601-359-1175</p>



Federal-State Inspection Service, AMS Contact Information (Continued)

<b>Carolina-Virginia (North Carolina, South Carolina, and Virginia)</b>	
<b>Federal Contacts</b>	<b>State Contacts</b>
<p>Mr. Milton Gray Federal Program Managers USDA, AMS, FVP, Fresh Products Branch PO Box 1326 Williamston, NC 27892-1326</p> <p><b>Telephone:</b> 252-809-1116 <b>FAX:</b> 252-809-4925</p>	<p>Mr. Wayne Bryant NCDA Cooperative Grading Service PO Box 588 Williamston, NC 27892</p> <p><b>Telephone:</b> 252-792-1672 <b>FAX:</b> 252-792-4784</p> <p>Mr. Jack Dantzler SCDA, Inspection Service PO Box 13391 Columbia, SC 29201</p> <p><b>Telephone:</b> 803-737-4583 <b>FAX:</b> 803-737-4667</p> <p>Mr. S.S. Webb, Jr. VDACS, Peanut Marketing Program PO Box 1130 Suffolk, VA 23434</p> <p><b>Telephone:</b> 757-925-2286 <b>FAX:</b> 757-925-2275</p>
<b>Southwest (Arkansas, New Mexico, Oklahoma, and Texas)</b>	
<b>Federal Contacts</b>	<b>State Contacts</b>
<p>Mr. Dave Markwardt Mr. Gary Verheek Federal Program Managers USDA, AMS, FVP, Fresh Products Branch Islander Building 1505 NE Parvin Road Suite 1505-B Kansas City, MO 64116</p> <p><b>Telephone:</b> 816-453-4926 <b>FAX:</b> 816-453-4914</p> <p><b>Note:</b> Arkansas shall use "Federal Contacts" in Kansas City, Missouri.</p>	<p>Mr. Jerry Shugart Texas Cooperative Inspection Program PO Box 368 Gorman, TX 76454</p> <p><b>Telephone:</b> 254-734-3006 <b>FAX:</b> 254-734-3009</p> <p>Mr. Stacy Gerk New Mexico Federal-State Inspection Service PO Box 483 Portales, NM 88130</p> <p><b>Telephone:</b> 505-356-8393 <b>FAX:</b> 505-356-6464</p> <p>Mr. Joe Stillwell USDA, AMS, FPB 533 E Main Street Madill, OK 73446</p> <p><b>Telephone:</b> 580-677-9897 <b>FAX:</b> 580-677-9953</p>

**Example of Determining Eligible MAL and LDP Quantities**

**Example 1:** A warehouse receipt was used to determine the eligible loan quantity.

Producer A presents a warehouse receipt and makes a request for an MAL on segregation 1, 2, or 3 Runner type peanuts. The warehouse receipt contains the following information.

- “Net Pounds” = 8,200
- “LSK Pounds” = 165.

Eligible quantity:

- pounds:  $8,200 + 165 = 8,365$
- tons:  $8,200 \div 2,000 = 4.10$
- tons:  $165 \div 2,000 = \underline{.08}$   
4.18.

Loan rate per ton of segregation 1, Runner peanuts:

\$355.43.

Loan amount:

$\$355.43 \times 4.18 = \$1,485.70$ .

Loan rate per ton of segregation 2 and 3, Runner peanuts:

35 percent of \$355.43 = \$124.40/ton.

Loan amount:

$\$124.40 \times 4.18 = \$519.99$ .

**Note:** Premiums and discounts were **not** applied to the segregation 1 example. Premiums and discounts are not applicable to segregation 2 and segregation 3 peanuts.

**Example of Determining Eligible MAL and LDP Quantities (Continued)**

**Example 2:** A warehouse receipt was used as production evidence to determine eligible LDP quantity.

Producer B presents a warehouse receipt and makes a request for LDP on segregation 1, 2, or 3, Virginia type peanuts. The warehouse receipt contains the following information.

- “Net Pounds” = 10,000
- “LSK Pounds” = 345.

Eligible quantity:

- pounds:  $10,000 + 345 = 10,345$
- tons:  $10,000 \div 2,000 = 5.00$
- tons:  $345 \div 2,000 = \frac{.17}{5.17}$

Loan rate per ton of segregation 1, Virginia peanuts:

\$354.86.

NPP for Virginia peanuts:

\$341.66.

LDP rate per ton of Virginia peanuts:

$\$354.86 - \$341.66 = \$13.20/\text{ton}$ .

LDP amount:

$\$13.20 \times 5.17 = \$68.24$ .

**Example of Determining Eligible MAL and LDP Quantities (Continued)**

**Example 3:** An FSA-1007 was used as production evidence to determine eligible LDP quantity.

Producer C presents FSA-1007 and makes a request for LDP on segregation 1, 2, or 3, Valencia type peanuts. FSA-1007 contains the following information.

- FSA-1007, Section II, item G = 6,000 pounds

Eligible quantity:

- pounds: 6,000
- tons:  $6,000 \div 2,000 = 3$ .

Loan rate per ton of segregation 1, Valencia peanuts:

\$354.86.

NPP for Valencia peanuts:

\$338.66.

LDP rate per ton of Valencia peanuts:

$\$354.86 - \$338.66 = \$16.20/\text{ton}$ .

LDP amount:

$\$16.20 \times 3 = \$48.60$ .