



**United States
Department of
Agriculture**

Farm and Foreign
Agricultural
Services

Farm Service
Agency

Kansas City
Commodity Office
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NOTICE TO THE INDUSTRY – BCD-27

Date: October 07, 2002

To: All Peanut Warehouse Operators

Subject: Peanuts Warehouse Rates

Background

The Farm Security and Rural Investment Act of 2002 (2002 Act) provides for a nonrecourse marketing assistance loan program for peanuts. Peanuts are eligible for marketing assistance loans beginning with the 2002 crop year and may be stored on farm or in a warehouse. The 2002 Act provides that the Commodity Credit Corporation (CCC) will pay storage and handling and other associated costs for the 2002 through 2006 crops of 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 determined that the rates paid for peanuts for the 2002 crop year will be based on the rates paid under the peanut quota program. 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.

Service	State	Rate per ton
*Receiving	Alabama	\$28.50
	Arkansas	\$29.00
	Georgia	\$28.25
	Florida	\$28.25
	New Mexico	\$28.50
	North Carolina	\$28.75
	Oklahoma	\$28.00
	South Carolina	\$29.25
	Texas	\$27.00
	Virginia	\$29.40
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 \$23.00 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 from the receiving fees.

Warehouse Stored Charges for CCC-owned Peanuts

If peanuts are forfeited to CCC, the Kansas City Commodity Office (KCCO) 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,
Kansas City Commodity Office