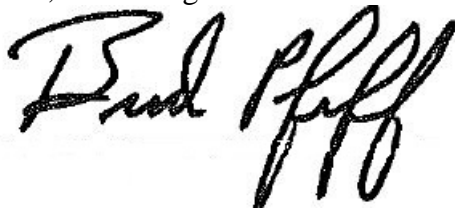


**For:** Peanut Producing State and County Offices, DMA's

**Commodity Certificate Exchange (CCE) for 2015 Crop Peanut Loan  
Transactions by Designated Marketing Associations (DMA's)**

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



**1 Overview**

**A Background**

Effective with the 2015 crop MAL program, CCC will offer for sale a commodity certificate that must be immediately redeemed for outstanding nonrecourse MAL collateral by a producer.

A CCC-694-2 must be completed by each DMA and DMA producer. If the DMA has been designated an agent for a producer with a current FSA-211 or CCC-605P the DMA can complete and file the CCC-694-2 on behalf of the producer.

There will be 2 phases of implementing CCE's. Phase 1 is the manual CCE process for the 2015 crop year. Phase 2 will be the automation of CCE's for 2016 in CLPS.

**B Purpose**

This notice informs DMA's about:

- the commodity certificate exchange process for peanuts.
- the requirement to complete CCC-694-2.
- peanuts to be exchanged with a commodity certificate as a manual process by DMA's.

Disposal Date	Distribution
October 1, 2016	Peanut Producing State Offices; State Offices relay to County Offices, and DMA's

## 2 Policy and Procedure

### A Producer Action

For the 2015 crop year eligible peanut producers who request a loan redemption to be recorded as a CCE must:

- have an outstanding nonrecourse commodity loan, not past maturity.
- complete and sign a CCC-694-2, according to subparagraph 3C.
- immediately exchange commodity certificate for loan collateral.

### B DMA Action

DMA's shall:

- complete one CCC-694-2, Acknowledgement of Commodity Certificate Purchase, in the name of the DMA for the 2015 crop year according to subparagraph 3 B
- submit the original copy of the CCC-694-2 to the DMA service County Office
- obtain and maintain a CCC-694-2 for each producer that redeems a peanut MAL using CCE according to subparagraph 3 C
- complete one CCC-694-2 on behalf of the producer if the DMA has a current FSA-211 or CCC-605P on file with the DMA according to subparagraph 3 C and file the completed CCC-694-2 at the DMA
- enter the assigned CCC-694-2 number on the transmission statement according to subparagraph 3 E
- submit producer's files through the interim process to record and track benefits.

**Note:** Instructions for submitting files through the interim process will be provided at a later date.

## Notice CMA-141

### 3 CCE for Loan Collateral

#### A Purpose and Use of CCC-694-2

CCC-694-2 is the DMA's producer's acknowledgement of the commodity certificate purchase and exchanged immediately for loan collateral. CCC-694-2's for DMA producers shall be completed by the producer and filed in the producer's folder at the DMA unless the DMA is the producers designated agent.

**Important:** CCC-694-2 **must never:**

- leave the DMA.
- be copied.
- be faxed.

#### B DMA's Instructions for Completing CCC-694-2

DMA's shall complete CCC-694-2 according to the following table.

Item	Instructions
1	Enter the crop year.
2	Enter the name and address of the DMA.
3-6	No entry required.
7	No entry required by the DMA. DMA service County Office shall enter the transaction number which will be comprised of the crop year, 5-digit State and county code, 00000 as the 5-digit loan number, and 0001 as the final four digits.  <b>Example:</b> 15-78099-00000-0001
8	Check boxes 8C <b>and</b> 8D.
9	No entry required – DMA certification agreeing to the terms to purchase a commodity certificate for exchange of outstanding MAL collateral.
10 A-C	DMA representative shall sign, enter their title, and date the CCC-694-2.

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### 3 CCE for Loan Collateral (Continued)

#### C DMA Producer or Agent Instructions for Completing CCC-694-2

DMA's producer or designated agent shall complete CCC-694-2 according to the following table.

Item	Instructions
1	Enter the crop year.
2	Enter the name and address of the producer requesting the CCE.
3-6	No entry required.
7	Enter the manually assigned commodity certificate transaction number assigned according to subparagraph 3 E.
8A	Leave blank.
8 B	Leave blank.
8 C	<p>Enter "<b>X</b>" if all outstanding MAL's are to be redeemed by designated agents, buyers, or alternative delivery partners as a CCE at the rate in effect on the date of redemption.</p> <p><b>Note:</b> One request is sufficient for <b>all</b> applicable outstanding loan(s) for the entire crop year, and shall be submitted by producer(s). Producers can select 8C and 8D on the same form.</p>
8D	<p>Enter "<b>X</b>" for previous redemptions and loan gains for 2015 crop <b>only</b> to indicate <b>all</b> previous 2015 crop year MAL redemptions processed are to be converted to a CCE at the applicable exchange rate in effect at the time the original redemption occurred.</p> <p><b>Note:</b> One request is sufficient for <b>all</b> prior redemptions on applicable loan(s), and is to be submitted by the producer(s). Producers can select 8C and 8D on the same form.</p>
9	No entry required – producer certification agreeing to the terms to purchase a commodity certificate for exchange of outstanding MAL collateral.
10	Obtain the signature of the producer(s) and enter the date signed. If the DMA is the designated agent enter the signature of the authorized representative of the DMA.
11	Enter any applicable remarks.

# Notice CMA-141

## 3 CCE for Loan Collateral (Continued)

### D Example of CCC-694-2

The following is an example of CCC-694-2.

This form is available electronically.		See Page 2 for Privacy Act and Public Burden Statements.	
<b>CCC-694-2</b> (02-18-16)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	
<b>ACKNOWLEDGMENT OF COMMODITY CERTIFICATE PURCHASE</b>		1. Crop Year	
2. Name and Address of Contact Producer		3. Name of Seller:  COMMODITY CREDIT CORPORATION	
<b>PART A - COMMODITY CERTIFICATE EXCHANGE IDENTIFICATION</b>			
4. Check Number	5. Check Date	6. Check Amount \$	7. Commodity Certificate Transaction No.(s)
<b>PART B - PRODUCER REQUEST</b>			
8. Check the applicable request to purchase a Commodity Certificate and agree to the following statement:  "I acknowledge that this is a request for an immediate exchange of loan collateral for a commodity certificate, to be applicable to the attached list of cotton bales, peanut warehouse receipts, or those commodities listed on the CCC-666 which I am submitting concurrently, and is an <b>irrevocable</b> request that cannot be altered or withdrawn under any circumstances."			
<input type="checkbox"/> A. <b>Turn-around loan</b> – purchase commodity certificates for immediate exchange of the entire loan quantity. Required for each turn around loan request.			
<input type="checkbox"/> B. <b>Commodity Certificate Purchase</b> by a producer at the loan servicing office for immediate exchange of all or part of the loan collateral provided the loan maturity date has not been reached and/or the loan is not in violation. Required for each redemption.			
<input type="checkbox"/> C. <b>COTTON AND PEANUT - Redemptions by Agents, Buyers, and Alternative Delivery Partners</b> - ALL transactions are to be processed as commodity certificate exchanges if the exchange rate is in effect at the time of the redemption. Required by each Producer.			
<input type="checkbox"/> D. <b>Previous Redemptions and Loan Gains for 2015 Crop</b> – all previous loan redemptions processed through ACRS, CCR, or CLPS are to be converted to a commodity certificate exchange at the applicable exchange rate in effect at the time the redemption occurred if all other eligibility requirements have been met. Required by each Producer.			
<b>PART C - PRODUCER AGREEMENT</b>			
9. I acknowledge: (1) receipt of Commodity Credit Corporation (CCC) Commodity Certificate which I requested to purchase from CCC; (2) that the certificate will be exchanged with CCC in the manner specified in CCC regulations at 7 CFR Part 1401 in order that I may receive commodities from CCC which had been pledged as collateral for a CCC marketing assistance loan; and (3) that for purposes of valuing the commodity acquired under this transaction, such value will be the marketing loan repayment rate applicable under 7 CFR Parts 1421 ( <i>commodities other than upland cotton</i> ) and 1427 ( <i>upland cotton</i> ) for the commodity determined as of the day I made payment to CCC for the commodity certificate except for those redemptions and loan gains that previously occurred for the 2015 crop.			
10A. Producer's Signature (By)	10B. Title/Relationship of the Individual Signing in the Representative Capacity	10C. Date (MM-DD-YYYY)	
10A. Producer's Signature (By)	10B. Title/Relationship of the Individual Signing in the Representative Capacity	10C. Date (MM-DD-YYYY)	
11. REMARKS:			

### 3 CCE for Loan Collateral (Continued)

#### D Example of CCC-694-2 (Continued)

CCC-694-2 (02-18-16)

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**NOTE :** *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1401, 7 CFR Part 1421, 7 CFR Part 1427, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility to participate in and receive benefits under a CCC loan program through documentation of producer/producer's representative acknowledgement of the commodity certificate purchase. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated) and USDA/FSA-14, Applicant/Borrower. Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility to participate in and receive benefits under a CCC loan program.*

*This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title I, Subtitle F, Administration).*

*In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.*

*Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.*

*To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture Office of the Assistant Secretary for Civil Rights 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov). USDA is an equal opportunity provider, employer, and lender.*

**3 CCE for Loan Collateral (Continued)**

**E Assigning Manual Transaction ID Numbers on CCC-694-2**

Each commodity certificate transaction shall be identified by a unique 16-digit transaction number until CLPS is updated to accept CCE's.

DMA's shall:

- manually assign the commodity certificate transaction ID
- maintain a register of commodity certificate transaction ID numbers on an Excel or compatible spreadsheet

**Note:** The Excel spreadsheet is available on both PSD's CCE SharePoint site, and Price Support's Internet site at <http://www.fsa.usda.gov/programs-and-services/price-support/Index>.

- assign the commodity certificate transaction ID number sequentially on the CCC-694-2 if 8C and/or 8D are checked - the transaction number will be comprised of the crop year, 5-digit State and county code, "XXXXX" for the loan number, and a 4-digit sequential number, such as **15-48828-00000-0001**.

**Note:** The 4-digit sequential number will begin with "0001".

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### 3 CCE for Loan Collateral (Continued)

#### E Assigning Manual Transaction ID Numbers on CCC-694-2 (continued)

DMA's shall maintain a Commodity Certificate Exchange (CCE) Interim Register on an Excel spreadsheet according to the following table.

Column	Column Header	Record the following...
1	Crop Year	<b>"YY"</b> for the crop year, "15" for crop year 2015.
2	State & County Code	State and county code as <b>"SSCCC"</b> (no dashes).
3	Loan #	5-digit loan number as <b>"XXXXX"</b> .  <b>Note:</b> For options 8C and 8D enter <b>"00000"</b> (zeros).
4	Cert. #	Sequentially assign a 4-digit certificate number, <b>"XXXX"</b> , starting with <b>"0001"</b> .
5	Producer	Producer or entity name as it appears on the loan.
6	Commodity	Enter the applicable commodity code. Use <b>"PNT"</b> for peanuts.
7	Turn-Around Loan	Leave blank.
8	Commodity Certificate Purchase	Enter an <b>"X"</b> for commodity certificates exchanged for collateral on open loans, otherwise leave blank. (8B on CCC-694-2)
9	Redemptions by Agents, Buyers & Alternative Delivery Partners (Peanuts & Cotton only)	Enter an <b>"X"</b> to request that all peanut redemptions by agents, buyers, and alternative delivery partners are processed using the CCC at the applicable exchange rate in effect on the date the repayment is received in the County Office, otherwise leave blank. (8C on CCC-694-2)
10	Previous Redemptions & Loan gains (2015 Crop only)	Enter an <b>"X"</b> to request to convert previous redemptions and loan gains for 2015 crop to a CCE at the applicable exchange rate in effect at the time the original redemption occurred, otherwise leave blank. (8D on CCC-694-2)



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3 CCE for Loan Collateral (Continued)

E Assigning Manual Transaction ID Numbers on CCC-694-2 (Continued)

Column	Column Header	Record the following...
11	Quantity	quantity being exchanged on outstanding loan (8B on CCC-694-2).  Leave blank, if options 8C and/or 8D were selected.
12	Purchase Date	For loans for immediate redemption, enter the date the CCC-694-2 was completed in the County Office or LSA. (8A or 8B on CCC-694-2)  Leave blank, if options 8C and/or 8D were selected.
13	CHECK AMT	For loans for immediate redemption, enter the calculated commodity certificate value in dollars and cents, "\$0.00" purchased by the producer. (8A or 8B on CCC-694-2)  Leave blank, if options 8C and/or 8D were selected.
14	CLPS DATE	For loans for immediate redemption, enter the date the exchange transaction was recorded in the automated system. (8A or 8B on CCC-694-2)  Leave blank, if options 8C and/or 8D were selected.

**3 CCE for Loan Collateral (Continued)**

**F Redemptions Submitted by Buyers, Agents, or Alternative Delivery Partners – Option 8C**

Phase 1 requires **each** producer to complete a CCC-694-2 and select option 8C for any 2015 crop MAL redeemed by an agent, buyer or alternative delivery partner if they wish to have the transaction processed as CCE if the exchange rate is in effect at the time of the redemption. Only **one** CCC-694-2 needs to be completed for the 2015 peanut crop year if a producer selects item 8C.

County Offices and DMA's **shall** continue to use existing software to process peanut loan redemptions.

**Note:** If a producer **fails** to submit a completed CCC-694-2 for option 8C, **all** CCR transactions for the applicable producer will be treated as “cash” redemptions **and** any market gains will be subject to payment limitation and AGI provisions.

**G Previous Redemptions and Loan Gains for 2015 Crop – Option 8D**

Phase 1 requires **each** producer to complete a CCC-694-2 and select option 8D for any 2015 crop MAL redeemed and proceed through the County Office if they wish to have previous transactions to be converted to CCE if the exchange rate was in effect at the time the redemption occurred, and if all other eligibility requirements have been met.

**For the 2015 peanut crop only** – a producer may select options 8C **and** 8D at the same time on the same CCC-694-2, and the provisions will be applicable to **all** eligible 2015 peanut crop loans obtained by the DMA.

The conversion of previous redemptions and loan gains will be addressed in greater detail in a future notice.