


For: State Offices and Service Centers

2008 Final Counter-Cyclical (CC) Payment Rate for Peanuts

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (2008 Act) provides for CC payments for covered commodities and oilseeds beginning with crop years 2008 through 2012. Partial 2008 crop year advance CC payments were **not** issued for peanuts.

B Purpose

This notice:

- provides a detailed explanation about determining CC payment rates
- informs State and County Offices that final CC payments will **not** be made for peanuts for crop year 2008 because the effective price exceeds the target price.

2 Calculating 2008 Final CC Payment Rate for Peanuts

A Zero Rate for Peanuts

The final 2008 CC payment rate for peanuts is zero because the effective price exceeds the target price. The effective price equals the direct payment rate, plus the higher of the national average loan rate or the national average farm price.

Disposal Date	Distribution
March 1, 2010	State Offices; State Offices relay to Service Centers

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2 Calculating 2008 Final CC Payment Rate for Peanuts (Continued)

A Zero Payment Rate for Peanuts (Continued)

The following table illustrates the payment rate calculation for peanuts.

Item	Peanuts
	Dollars Per Pound
Target Price	0.24750
National Average Loan Rate	0.17750
National Average Farm Price	0.23000
Higher of Loan Rate or Farm Price	0.23000
Direct Payment Rate	0.01800
Effective Price	0.24800
Final CC Payment Rate	0

B 2008 CC Partial Payment for Peanuts

The 2008 Act provides for an advance partial CC payment in December 2008 and a final payment **after** the close of the marketing year. Advance partial 2008 CC payments were **not** paid on peanuts.

C Update to CC Payment Parameter File

The Payment Parameter File will be updated at a later date.

D Web Site for National Average Prices Received by Producers

The national average prices received by producers for contract commodities can be found on the FSA Internet at www.fsa.usda.gov.