

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice LP-2216**

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

**Commodity Certificate Exchanges (CCE) for 2015 Crop Loans  
Processed Through County Offices – Phase 1 Manual Process**

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



**1 Overview**

**A Background**

Section 740 of the Consolidated Appropriations Act, 2016, amended Section 166 of the Federal Agriculture Improvement and Reform Act of 1996. Beginning with 2015 crop year MAL's, the Secretary shall provide commodity certificates in the same terms and conditions as were in effect for the 2008 crop year for loans.

Effective with 2015 crop year MAL's, CCC will authorize the purchase of commodity certificates that must be immediately exchanged for outstanding nonrecourse MAL collateral by a producer or designated agent.

For the 2015 crop, it is necessary to use the existing Commodity Loan Processing System (CLPS) to assist in completing the manual CCC-694-2 and loan redemptions using CCE until CLPS is modified to support the automated CCE process.

The only commodity eligible for CCE at this time is cotton. Further information, including automation instructions, will be issued as commodities become CCE eligible.

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 and further instructions will be forthcoming.

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

## 1 Overview (Continued)

### B Purpose

For 2015 crop year MAL's processed through a County Office, this notice provides State and County Offices:

- general CCE policy and provisions
- Phase 1 of the manual CCE process for:
  - redemption of commodities under loan that have not reached maturity
  - immediate redemption on requested loans, also known as turn-around loans.

**Notes:** Notice CN-1053 establishes policy and procedures applicable to County Offices processing cotton CCE's.

Notice CMA-140 establishes policy and procedures applicable to cotton CMA's and LSA's, and peanut DMA's for processing CCE's.

Phase 2 of the CCE process will be forthcoming once all software updates have been implemented to support the automated CCE process.

### C Producer Action

Producers who have pledged or will pledge an eligible commodity for a 2015 crop year MAL must complete a CCC-694-2 according to this notice if they intend to have that loan redeemed as a CCE.

**Note:** CCE's are only applicable when the loan rate exceeds the exchange rate.

### D Definitions

For the purpose of this notice, the following definitions are unique to CCE transactions.

**Commodity loan gain** means the difference between the loan principal amount and the CCC-determined value of the commodity certificate used to exchange the loan collateral, and the gain is **not** subject to either AGI provisions or Payment Limitation.

**Exchange rate** is the CCC-determined value on the date CCE is requested and CCC-694-2 is signed in the County Office and will be based on the effective:

- adjusted world price (AWP) for cotton and rice
- national posted price (NPP) for peanuts
- posted county price (PCP) for other crops.

## 1 Overview (Continued)

### D Definitions (Continued)

**Market loan gain** means the difference between the loan principal amount and the CCC-determined value of the redeemed loan collateral, and the gain is subject to both AGI provisions and payment limitation.

**Turn-around loan** is a special designation for a loan that is requested, approved for disbursement, and exchanged with a commodity certificate purchased the same day.

### E CCE Options

There are 4 options available to request commodity certificates for exchange of loan collateral.

- **Turn-around loan** is requested by a producer at the loan servicing office to purchase a commodity certificate for immediate exchange of the entire loan quantity. This option is **not** authorized for agents designated on a CCC-605.
- **Commodity certificate purchase** 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.
- **Redemption by agents, buyers, and alternative delivery partners** will be processed as a commodity certificate exchange if the exchange rate is in effect at the time of the redemption.
- **Previous redemptions and loan gains for 2015 crop** processed through ACRS, CCR, or CLPS will 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. This option is **limited** to the 2015 crop year.

## 2 General Provisions

### A CCE General Policy

CCE's:

- are applicable beginning with the 2015 crop year MAL's
- apply to harvested, shorn and/or ginned crops that are either of the following:
  - represented by a warehouse receipt for which CCC is the holder
  - farm stored
- must **not** be applied to any quantity for which an outstanding CCC-697 exists
- **cannot** occur unless the commodity is first placed under a nonrecourse MAL.

Commodity certificates are **not** issued for any of the following:

- commingled commodities stored at unapproved/unlicensed warehouses
- CCC-owned inventory.

Commodity loan gains from loan collateral exchanged with commodity certificates for loan collateral are:

- not subject to:
  - payment limitation
  - actively engaged, member contribution and cash rent tenant provisions
  - AGI provisions
- tracked using the interim process
- reported to IRS on an IRS-1099-G statement.

## 2 General Provisions (Continued)

### B Eligible Producers

Eligible producers **must**:

- have an outstanding nonrecourse MAL not past maturity to purchase a commodity certificate
- submit a signed CCC-694-2 with the purchase price of the commodity certificate to the County Office on the day of redemption to immediately exchange commodity certificates for loan collateral
- for turn-around loans
  - meet MAL eligibility requirements and retain BI
  - request the loan by the final loan availability date.

The following may purchase a commodity certificate and exchange it for commodities on an outstanding loan:

- any producer who signed CCC-677 or CCC-678, as applicable
- a person with a valid FSA-211 for a producer who signed CCC-677 or CCC-678, as applicable.

**Note:** Only the signature of the producer purchasing the commodity certificate is required for joint loans.

### C Eligible Commodities

Eligible loan commodities are included in the following table.

barley	flaxseed	mustard seed	safflower seed
canola	graded wool	non-graded wool	sesame seed
cotton - upland	grain sorghum	oats	small chickpeas
corn	honey	peanuts	soybeans
crambe	large chickpeas	rapeseed	sunflower seed
dry peas	lentils	rice	wheat

## 2 General Provisions (Continued)

### D Exchange Rate

The CCE rate or the CCC-determined value is based on the date the certificate is purchased and uses the following:

- AWP for cotton and rice
- NPP for peanuts
- PCP for all other MAL commodities.

CCE's are only applicable when the loan rate exceeds the applicable AWP, NPP, or PCP exchange rate.

### E CCC-697 – Request to Lock In a Market Loan Repayment Rate

CCE must **not** be applied to any quantity for which an outstanding CCC-697 exists.

### F FAX Requests

FAX forms and signatures are not authorized for purchasing commodity certificates or exchanging the certificate for a commodity.

## 3 CCE's

### A Process

The following table describes the high level process to exchange commodity certificates for outstanding loan collateral on an already disbursed MAL in a County Office.

Step	Action
1	Producer requests to exchange outstanding loan collateral using commodity certificates.
2	The County Office identifies loan and loan quantity, and determines exchange value.
3	The producer purchases commodity certificate from the County Office for the exact dollar value needed to exchange the outstanding loan collateral.
4	The producer signs CCC-694-2 and uses it to exchange the outstanding loan collateral.
5	The County Office releases the loan collateral.

### B CCC-694-1 Page 2

County Offices may use CLPS, "Market Price" repayment option or manually complete CCC-694-1 Page 2 to determine the amount needed to purchase a commodity certificate to use in a CCE for all commodities except peanuts and upland cotton.

For peanuts and cotton, CLPS must be used.

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### 3 CCE's (Continued)

#### B CCC-694-1 Page 2 (Continued)

CCC-694-1 is available on the FFAS Employee Forms/Publication Site at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html>.

Complete items:

- 23 through 28 and 34 through 41 to determine the commodity certificate value needed
- 29 through 32 to complete the loan exchange.

If used, CCC-694-1 Page 2 shall be manually completed according to the following table.

Item	Instruction
23 and 34	Enter crop year, loan number, and commodity certificate transaction ID number determined from the transaction number register according to subparagraph G.  For multiple loan exchanges, enter this information in item 34, as applicable. If multiple loan exchanges are applicable, ENTER, "See Item 34" in item 23.
24	Enter the total commodity certificate value determined by multiplying item 25 times item 28.
25	Enter the total loan quantity to be exchanged. For multiple or partial loan exchanges, include item 39 in the total entered in item 25, as applicable.
26	Enter the loan rate, as applicable.
27	Enter the exchange date. This is the date the commodity certificate is purchased from CCC and is the date the CCC-694-2 is signed.
28	Enter the exchange rate. This is the exchange rate according to subparagraph 2 D in effect on the date the commodity certificate is purchased.
29	Enter the loan quantity to be redeemed from item 25.
30	Enter the loan principal to be repaid by multiplying item 26 times item 29. For multiple loan exchanges, include the total loan principal from item 40.
31 and 32	Leave blank.
33	Enter remarks, as applicable.
34 through 41	Complete as necessary. Carry all totals to items 24, 25, and 30, as applicable.
42	Sign, date, and provide title, as applicable. County Offices shall file CCC-694-1 and CCC-694-2 in the loan folder.





3 CCE's (Continued)

**D Purpose and Use of CCC-694-2**

CCC-694-2 is the producer's acknowledgement of the commodity certificate purchase and immediate exchange for the producer's outstanding loan collateral.

A separate CCC-694-2 **shall** be completed and filed in the producer's loan folder for each **loan** being exchanged at one time for the same producer if one of the following CCE options are selected:

- turn-around loan
- commodity certificate purchase.

Only one CCC-694-2 is required for **each producer** for each crop for the entire crop year if one or both of the following CCE options are selected:

- redemptions by agents, buyers, and alternative delivery partners
- previous redemptions and loan gains for 2015 crop processed through ACRS, CCR, or CLPS.

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

- leave the County Office
- be copied
- be faxed.

**E Completing CCC-694-2**

County Offices shall manually complete CCC-694-2 items 1 through 7, according to the following table. The producer shall complete items 8 through 10. The completed CCC-694-2 shall be placed in the producer's applicable loan folder.

**Notes:** CCC-694-2 is available on the FFAS Employee Forms/Publication Site at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/forms.html>.

This form must **never** leave the County Office.

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### 3 CCE's (Continued)

#### E Completing CCC-694-2 (Continued)

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.  <b>Note:</b> Agents designated only by CCC-605 or CCC-605P are not authorized to request a CCE turn-around loan.
3	No entry required.
4	If box 8A or 8B is checked, enter the check number received from the certificate buyer.  If box 8C or 8D is checked, no entry is required in this box.
5	If box 8A or 8B is checked, enter the date check received from the certificate buyer.  If box 8C or 8D is checked, no entry is required in this box.
6	If box 8A or 8B is checked, enter the check amount received from the certificate buyer.  If box 8C or 8D is checked, no entry is required in this box.
7	Enter the manually assigned commodity certificate transaction number assigned according to subparagraph 3 G. (For items 8C and 8D, enter loan number as "00000".)

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### 3 Commodity Certificate Exchanges (Continued)

#### E Completing CCC-694-2 (Continued)

Item	Instructions
8	Check the box next to the applicable action in items 8A through 8D. If either box 8A or 8B is checked, <b>no</b> other boxes can be checked.
8 A	<p>Enter an "X" for a <b>turn-around loan</b> only.</p> <p>A producer can elect to identify any lienholder. CCC-679 must be submitted to issue a check jointly to the producer and the lienholder. A new CCC-694-2 is required for <b>each</b> turn-around loan request.</p> <p><b>Notes:</b> Lien searches <b>not</b> required for immediate exchanges with commodity certificates.</p>
8 B	Enter an "X" for an immediate <b>Commodity Certificate Exchange</b> purchase for the date signed only. A new CCC-694-2 is required for <b>each</b> certificate repayment/redemption.
8 C	<p>For <b>cotton and peanut</b> only, producers shall enter "X" in this box 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>This request is good for all applicable outstanding loan(s) for a specific commodity for the entire crop year, and required to be submitted by producer(s).</p>
8 D	<p>For previous redemptions and loan gains for 2015 crop <b>only</b>, producers shall enter an "X" in this box to indicate that all previous 2015 crop year MAL redemptions processed through ACRS, CCR, or CLPS are to be converted to a CCE at the applicable exchange rate in effect at the time the original redemption occurred.</p> <p>This request is good for <b>all</b> prior redemptions on applicable loan(s), and required to be submitted by producer(s).</p>
9	No entry required – producer certification agreeing to the terms to purchase a commodity certificate for exchange of outstanding MAL collateral.
10	<p>Obtain the signature of the producer(s) and the date signed.</p> <p><b>Note:</b> Agents designated only by CCC-605 or CCC-605P are not authorized to request a CCE turn-around loan.</p>
11	Enter any applicable remarks.

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## 3 CCE's (Continued)

### F 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's (Continued)

F Example of CCC-694-2

CCC-694-0002 (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.

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3 CCE's (Continued)

**G Assigning Manual Transaction ID Number in Item 7 on CCC-694-2 – Phase 1**

Each commodity certificate transaction shall be identified by a unique 16-digit transaction number to be entered in Item 7 on the CCC-694-2 until CLPS is updated to accept CCE's.

County Offices shall:

- manually assign the commodity certificate transaction ID
- maintain a register of commodity certificate transaction ID numbers on an Excel spreadsheet available on both PSD's CCE SharePoint site, and Price Supports Internet site at <http://www.fsa.usda.gov/programs-and-services/price-support/Index>
- assign numbers sequentially each crop year according to the item checked on the CCC-694-2 as follows:
  - if item 8A or 8B is checked, the transaction number will be comprised of the crop year, 5 digit State and County code, 5-digit loan number, and a 4-digit sequential number such as **15-48015-00123-0001**
  - if items 8C and/or 8D are checked, the transaction number will be comprised of the crop year, 5 digit State and County code, "00000" for the loan number, and a 4-digit sequential number, such as **15-48828-00000-0002**.

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

County Offices shall enter the following on the "Commodity Certificate Exchange (CCE) Interim Register" Excel spreadsheet:

Column	Column Header	Record the following...
1	Crop Year	"YY" for the crop year, "15" for crop year 2015.
2	State & County Code	State & County Code as "SSCCC" (no dashes).
3	Loan #	Enter for: <ul style="list-style-type: none"> <li>• turn-around loans &amp; immediate CCE, enter the 5-digit CLPS loan number (8A or 8B on CCC-694-2)</li> <li>• buyer &amp; agent repayments, and retroactive redemptions, enter "00000" as the loan number. (8C and/or 8D on CCC-694-2)</li> </ul>
4	Cert. #	Sequentially assign a 4-digit certificate number, "XXXX", starting with "0001".
5	Producer	Producer or Entity name as it appears on the loan.
6	Commodity	Enter the applicable commodity code.
7	Turn-Around Loan	Enter an "X" for loans requested for immediate exchange with a commodity certificate (turn-around loans), otherwise leave blank. (8A on CCC-694-2)

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### 3 CCE's (Continued)

#### G Assigning Manual Transaction ID Number in Item 7 on CCC-694-2 – Phase 1 (Continued)

Column	Column Header	Record the following...
8	Commodity Certificate Purchase	Enter an "X" 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 "X" to request that all cotton or peanut redemptions by agents, buyers, and alternative delivery partners are processed using the CCE 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 "X" 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)
11	Quantity	Enter: <ul style="list-style-type: none"> <li>• "ALL" for turn-around loans (8A on CCC-694-2)</li> <li>• quantity being exchanged on outstanding loan (8B on CCC-694-2)</li> <li>• leave blank for redemptions by agents, buyers, alternative delivery partners, and previous redemptions. (8C and/or 8D on CCC-694-2).</li> </ul>
12	Purchase Date	For turn-around loans or loans for immediate redemption, enter the date the CCC-694-2 was completed in the County Office. (8A or 8B on CCC-694-2)  For redemptions by agents & buyers or retroactive redemptions, leave blank. (8C and/or 8D on CCC-694-2)
13	CHECK AMT	For turn-around loans or 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)  For redemptions by agents & buyers or retroactive redemptions, leave blank. (8C and/or 8D on CCC-694-2)
14	CLPS DATE	For turn-around loans or loans for immediate redemption, enter the date the exchange transaction was recorded in CLPS. (8A or 8B on CCC-694-2)  For redemptions by agents & buyers or retroactive redemptions, leave blank. (8C and/or 8D on CCC-694-2)

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### 4 Manual Process for CCE in the County Office for All Commodities Except Peanuts and Cotton – Phase 1

#### A Manual CCE Process in the County Office for Outstanding Loans – Phase 1

County Offices shall exchange commodity certificates according to the following table for outstanding loans before maturity.

Step	Function
1	Producer requests to exchange outstanding loan collateral using a commodity certificate. (CCC-694-2 Item 8B)
2	<p>County Office identifies loan and loan quantity, and determines repayment value using CLPS, “Market Price” repayment option or CCC-694-1 Page 2. Enter this value in CCC-694-2, Item 6.</p> <p><b>Important:</b> Do <b>not</b> complete the repayment in CLPS until the producer provides the check for the exact dollar value required to purchase the commodity certificate.</p>
3	Producer chooses applicable option, and signs CCC-694-2 acknowledging purchase of the commodity certificate for the exact dollar value needed to exchange for the outstanding loan collateral.
4	<p>County Office enters the repayment in CLPS as a “<b>Market Price</b>” repayment.</p> <p><b>Notes:</b> The transaction will appear as a “<b>Market Price</b>” redemption in CLPS, however, after CLPS software is updated, a future notice will be published which will provide instructions for correcting this transaction as CCE.</p> <p>The remittance for the commodity certificate purchase will be entered in CLPS during the repayment process and sent to NRRS.</p> <p>The repayment process for cotton in CLPS is different. See Notice CN-1053 for instructions.</p>
5	<p>The County Office assigns a manual transaction ID number according to subparagraph 3 G, and records it in manual CCC-694-2, Item 7.</p> <p>The County Office will also enter the following in the “Remarks” section of CCC-500M, “<b>Commodity Certificate Exchange</b>” with the manually-assigned transaction number.</p>
6	The County Office releases the loan collateral.



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### 4 Manual Process for CCE in the County Office for All Commodities Except Peanuts and Cotton – Phase 1 (Continued)

#### B Turn-Around Loan Requests for Immediate CCE in the County Office – Phase 1

County Offices shall exchange the commodity certificate according to the following table for turn-around loans requested for immediate CCE.

Step	Function
1	<p>Producer requests to obtain a loan for immediate exchange with a commodity certificate. The County Office will process and approve the loan in CLPS according to 16-PS.</p> <p><b>Notes:</b> As with all MAL requests, CCC-666, list of peanut warehouse receipts, or cotton bale list is required.</p> <p>The County Office shall use the date CCC-694-2 was signed and submitted to the County Office for an immediate exchange as the “<b>COC Approval</b>”, “<b>Lien Search</b>” and “<b>UCC-1</b>” filing dates. Lien searches and UCC-1 filings are <b>not</b> required for a turn-around loan, but a date <b>must</b> be recorded in CLPS.</p>
2	<p>Producer signs the loan documents, checks CCC-694-2, Item 8A requesting to purchase a commodity certificate for immediate exchange for the entire loan amount, and signs CCC-694-2.</p>
3	<p>The County Office disburses the loan using NPS according to 1-FI.</p>
4	<p>The County Office determines the commodity certificate dollar value required to repay the entire loan quantity by using CLPS, “Market Price” repayment option or CCC-694-1 Page 2. This amount is entered in CCC-694-2, Item 6.</p> <p><b>Important:</b> Do <b>not</b> complete the repayment in CLPS until producer provides the check for the exact dollar value to exchange the loan collateral.</p>
5	<p>After the producer provides a check for the purchase of the commodity certificate, the County Office shall process the repayment for the entire loan quantity as a “<b>Market Price</b>” repayment in CLPS using the applicable price in effect on the date CCC-694-2 was signed and submitted to the County Office.</p> <p>The remittance for the commodity certificate purchase will be entered in CLPS during the repayment process and sent to NRRS.</p> <p><b>Note:</b> The repayment process in CLPS is different for cotton. See Notice CN-1053 for instructions.</p>

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### 4 Manual Process for CCE in the County Office for All Commodities Except Peanuts and Cotton – Phase 1 (Continued)

#### B Turn-Around Loan Requests for Immediate CCE in the County Office – Phase 1 (Continued)

Step	Function
6	<p>The County Office will enter “<b>Commodity Certificate Exchange</b>” and the manually-assigned transaction number, determined according to subparagraph 3 G, in the “Remarks” section of CCC-500M.</p> <p><b>Note:</b> The transaction will appear as a “<b>Market Price</b>” redemption in CLPS, however, after CLPS software is updated, a future notice will be published which will provide instructions for correcting this transaction as CCE.</p>
7	<p>The County Office releases the loan collateral.</p> <p><b>Note:</b> Warehouse receipts shall <b>not</b> be returned to producers and EWR’s shall <b>not</b> be released until the repayment is completed in CLPS.</p>

### 5 CCE for Peanut MAL Collateral in a County Office - Phase 1

#### A Manual CCE Process for Outstanding Peanut MAL’s – Phase 1

County Offices shall exchange the commodity certificate according to this table for outstanding peanut MAL’s before maturity if Item **8B** is selected on CCC-684-2.

Step	Function
1	Producer requests to exchange outstanding loan collateral using a commodity certificate.
2	<p>The County Office identifies loan and loan quantity, and determines repayment value using the CLPS software “<b>Market Price</b>” repayment option using NPP in effect on the date of the request, and enters this value in CCC-694-2, Item 6.</p> <p><b>Important:</b> Do <b>not</b> complete the repayment in CLPS until producer provides the check for the exact dollar value required to purchase the commodity certificate.</p>
3	Producer signs CCC-694-2 acknowledging purchase of the commodity certificate and provides the County Office with the exact dollar value needed to exchange for the outstanding loan collateral.

## Notice LP-2216

### 5 CCE for Peanut MAL Collateral in a County Office - Phase 1 (Continued)

#### A Manual CCE Process for Outstanding Peanut MAL's – Phase 1 (Continued)

Step	Function
4	<p>The County Office completes the NPP redemption in CLPS, assigns a manual transaction ID number according to subparagraph 3 G, and records this number in CCC-694-2, Item 7.</p> <p>The remittance for the commodity certificate purchase will be entered in CLPS during the repayment process and sent to NRRS.</p> <p>The County Office will enter “<b>Commodity Certificate Exchange</b>” and the manually-assigned transaction number in the “Remarks” section of CCC-500M.</p> <p><b>Note:</b> The transaction will appear as a NPP “<b>Market Price</b>” redemption in CLPS, however, after CLPS software is updated, a future notice will be published which will provide instructions for correcting this transaction as CCE.</p>
5	The County Office releases the loan collateral.

County Offices shall process a CCE according to this table for outstanding peanut MAL's before maturity if Item **8C** is selected on CCC-684-2.

Step	Function
1	<p>Producer requests or has previously requested and completed a CCC-694-2 with Item 8C checked which indicates that all peanut redemptions from a designated agent, buyer or alternative delivery partner for this producer shall be processed as a CCE at the exchange rate in effect at the time of the redemption. Item 8C is applicable to any peanut MAL redemptions for this producer in the crop year indicated in Item 1.</p>
2	<p>The County Office:</p> <ul style="list-style-type: none"> <li>receives remittance from a designated agent, buyer or alternative delivery partner for a specific loan and quantity</li> <li>identifies loan, loan quantity, and determines repayment value using the CLPS software “<b>Market Price</b>” repayment option using NPP in effect on the date of the redemption.</li> </ul>

## Notice LP-2216

### 5 CCE for Peanut MAL Collateral in a County Office - Phase 1 (Continued)

#### A Manual CCE Process for Outstanding Peanut MAL's – Phase 1 (Continued)

Step	Function
3	<p>The County Office completes the NPP redemption in CLPS.</p> <p>The remittance for the commodity certificate purchase will be entered in CLPS during the repayment process and sent to NRRS.</p> <p>The County Office will enter “Commodity Certificate Exchange” and the manually-assigned transaction number from the CCC-694-2, Item 7, in the “Remarks” section of CCC-500M.</p> <p><b>Notes:</b> The manually assigned transaction number will be the same for all redemptions by a designated agent, buyer or alternative delivery partner for this producer this crop year.</p> <p>The transaction will appear as an NPP “Market Price” redemption in CLPS, however, after CLPS software is updated, a future notice will be published which will provide instructions for correcting this transaction as CCE.</p>
4	The County Office releases the loan collateral.

#### B Requests for Turn-Around Peanut MAL's for Immediate Exchange with Commodity Certificates – Phase 1

County Offices shall exchange the commodity certificate according to this table for peanut MAL turn-around loans requested for immediate CCE

Step	Function
1	<p>Producer requests a loan for immediate exchange with a commodity certificate. The County Office will process and approve the loan in CLPS according to 16-PS.</p> <p><b>Notes:</b> The peanut MAL shall be requested on CCC-666 or as determined by the State Office.</p> <p>The County Office shall use the date CCC-694-2 was signed and submitted to the County Office for an immediate exchange as the “<b>COC Approval</b>”, “<b>Lien Search</b>” and “<b>UCC-1</b>” filing dates. Lien searches and UCC-1 filings are <b>not</b> required to request a turn-around loan, but a date <b>must</b> be recorded in CLPS.</p>
2	Producer signs the loan documents, checks CCC-694-2, Item 8A requesting to purchase a commodity certificate for immediate exchange for the entire loan amount, and signs CCC-694-2.
3	The County Office disburses the loan in NPS according to 1-FI.

## Notice LP-2216

### 5 CCE for Peanut MAL Collateral in a County Office – Phase 1 (Continued)

#### B Requests for Turn-Around Peanut MAL's for Immediate Exchange with Commodity Certificates – Phase 1 (Continued)

Step	Function
4	<p>The County Office determines the commodity certificate dollar value required to repay the entire loan quantity by using the CLPS software “<b>Market Price</b>” repayment option using the NPP in effect on the date CCC-694-2 was signed, and enters this value in CCC-694-2, Item 6.</p> <p><b>Important:</b> Do <b>not</b> complete the repayment in CLPS until producer provides the check for the exact dollar value required to purchase the commodity certificate.</p> <p>If the producer is not able to provide a check, click “<b>Cancel</b>” to cancel the redemption process.</p>
5	<p>After the producer provides a check for the purchase of the commodity certificate, the County Office shall process the entire loan quantity for a “<b>Market Price</b>” repayment using the NPP in effect on the date CCC-694-2 was signed and submitted to the County Office.</p> <p>The remittance for the commodity certificate purchase will be entered in CLPS during the repayment process and sent to NRRS.</p>
6	<p>The County Office will enter “<b>Commodity Certificate Exchange</b>” and the manually-assigned transaction number, determined according to subparagraph 3 G, in the “Remarks” section of CCC-500M.</p> <p><b>Note:</b> The transaction will appear as a NPP “<b>Market Price</b>” redemption in CLPS, however, after CLPS software is updated, a future notice will be published which will provide instructions for correcting this transaction as CCE.</p>
7	<p>The County Office releases the loan collateral.</p> <p><b>Note:</b> Warehouse receipts shall <b>not</b> be returned to producers and EWR's shall <b>not</b> be released until the repayment is completed in CLPS.</p>

## 6 Action

### A State Office Action

State Offices shall ensure County Offices receive and review the entire contents of this notice.

### B County Office Action

County Offices shall:

- follow the contents of this notice
- direct questions about CCE's and the contents of this notice to their respective State program specialists.

### C Contacts

If there are questions about this notice, contact the appropriate individual according to this table.

IF the question is about...	THEN contact...
cotton MAL policy	<p>Kelly Hereth-Dawson by either of the following:</p> <ul style="list-style-type: none"> <li>• e-mail to <b>kelly.hereth@wdc.usda.gov</b></li> <li>• telephone at 202-720-0448.</li> </ul>
peanut MAL policy	<p>Kathy Sayers by either of the following:</p> <ul style="list-style-type: none"> <li>• e-mail to <b>kathy.sayers@wdc.usda.gov</b></li> <li>• telephone at 979-680-5155.</li> </ul>
policy for all other CCE eligible commodities listed in subparagraph 2 C	<p>DeAnn Allen by either of the following:</p> <ul style="list-style-type: none"> <li>• e-mail to <b>deann.allen@wdc.usda.gov</b></li> <li>• telephone at 202-720-9889.</li> </ul>
CMA, DMA, and LSA policy	<p>Frankie Coln at either of the following:</p> <ul style="list-style-type: none"> <li>• e-mail to <b>frankie.coln@wdc.usda.gov</b></li> <li>• telephone at 202-720-9011.</li> </ul>
MAL, CLPS, and CCE automation	<p>Laura Schlote by either of the following:</p> <ul style="list-style-type: none"> <li>• e-mail to <b>laura.schlote@wdc.usda.gov</b></li> <li>• telephone at 202-720-7785.</li> </ul>