

News Release

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USDA Announces Correction to Loan Rates for 2019-Crop Peanuts

WASHINGTON, D.C., October 10, 2019 - The U.S. Department of Agriculture's (USDA) Commodity Credit Corporation (CCC) today announced corrected 2019-crop loan rates for four types of peanuts. The 2019 peanut loan rates were published in June. The peanut loan rates were incorrectly calculated for the 2019 crop year because of a formula calculation error. The rates have been revised based on corrected formulas. The revised peanut loan rates, by type (Runner, Spanish, Valencia, and Virginia), for processing marketing assistance loans and loan deficiency payments for 2019 crop peanuts have been determined.

The 2014 Farm Bill established the national loan rate for peanuts at \$355 per ton, which is unchanged from the previous farm bill. CCC calculated the price support levels for each peanut type using the same method as last year. CCC uses the national loan rate and five-year average quality factors, along with a three-year simple average weighted production. The revised 2019 crop loan rates take effect on October 10, 2019.

All loans processed prior to October 10 will be corrected through FSA County Offices and Designated Marketing Associations automatically to ensure producers receive the correct loan amounts.

For an average grade ton of 2019-crop peanuts, loan levels by type are:

- Runner-type peanuts, \$354.13 per ton
- Spanish-type peanuts, \$346.70 per ton
- Valencia-type peanuts, \$360.94 per ton
- Virginia-type peanuts, \$360.94 per ton

CCC applies premiums and discounts for quality factors to compute the loan value for an individual ton of peanuts. The actual loan level depends on the percent of various sizes of kernels in each ton. CCC uses the percentage of sound mature kernels (SMK) and sound splits to compute the basic loan value of the load. SMKs are whole kernels that pass over the testing screen officially designated for each type of peanut. Sound splits are whole kernels split into two pieces. Excess sound splits receive discounts. There are discounts for other kernels, damaged kernels and foreign materials. An additional discount occurs for loose shell kernels. Other quality discounts also may apply.

For each percent of SMK in a ton of peanuts, plus each percent of sound splits, the loan levels are:

- Runner-type peanuts, 4.808 per percent
- Spanish-type peanuts, 4.784 per percent
- Valencia-type peanuts, 5.399 per percent
- Virginia-type peanuts, 4.904 per percent

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