

**FSA**  
**HANDBOOK**

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Loans and Loan Deficiency  
Payments for Wool and Mohair

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For State and County Offices

SHORT REFERENCE

2-LP Wool and Mohair

UNITED STATES DEPARTMENT OF AGRICULTURE  
Farm Service Agency  
Washington, DC 20250



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Washington, DC 20250

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**Loans and Loan Deficiency  
Payments for Wool and Mohair  
2-LP Wool and Mohair**

**Amendment 1**

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



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**Amendment Transmittal**

**A Reason for Issuance**

This handbook has been issued to provide policy and procedure for Loans and Loan Deficiency Payments for Wool and Mohair.

**Note:** Policy and procedure for Loans and Loan Deficiency Payments for Wool and Mohair has been removed from 8-LP.



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- 2 Definitions of Terms Used in This Handbook
- 3 Core Test Report Examples



## Part 1 Basic Program Provisions

### Section 1 Handbook Provisions

#### 1 Handbook Purpose and Authority

##### A Purpose

[7 CFR Part 1434] This Part provides general instructions for administering loans and LDP's for the following commodities:

- mohair
- unshorn pelts (LDP's only)
- graded wool
- ungraded wool.

Use this handbook with 8-LP, as applicable.

##### B Sources of Authority

Authority for the policies prescribed in this handbook is in:

- 7 CFR Part 1421
- The Agriculture Improvement Act of 2018
- Consolidated Appropriations Act, 2016.

## 2 Administrative Responsibilities

### A Responsibilities

The responsibilities of the administrative levels for loan and LDP programs are provided in the following table.

IF the administrative level is...	THEN...
National Office	<ul style="list-style-type: none"> <li>the CCC Board and Executive Vice President must determine policy and program provisions</li> <li>the Executive Vice President, CCC, or designee, must:               <ul style="list-style-type: none"> <li>make a determination on any question arising under this program</li> <li>revise or rescind an incorrect determination made by COC, STC, AMS</li> </ul> </li> <li>PSD must administer loan and LDP programs under the general supervision and direction of DAFP.</li> </ul>
State Office	<p>STC must:</p> <ul style="list-style-type: none"> <li>determine State-wide policy according to this handbook, 2-LP, and guidance received from the National Office</li> <li>administer all phases of the program in the State through SED.</li> </ul> <p><b>Note:</b> STC may:</p> <ul style="list-style-type: none"> <li>correct, or require COC to correct, any action taken that contradicts this handbook and other current policy</li> <li>require COC to withhold taking any action that is not consistent with this handbook and other current policy.</li> </ul>

## 2 Administrative Responsibilities (Continued)

### A Responsibilities (Continued)

IF the administrative level is...	THEN...
County Office	COC must: <ul style="list-style-type: none"> <li>• determine policy according to this handbook and guidance from the State Office</li> <li>• administer the programs in the county through CED.</li> </ul>
	County Office must: <ul style="list-style-type: none"> <li>• determine that:               <ul style="list-style-type: none"> <li>• a producer is eligible for loans and LDP's, according to Part 2, Section 1</li> <li>• the commodity is eligible for loans and LDP's, according to Part 2, Section 2</li> <li>• the quantity offered for loan and LDP is reasonable based on producer's share of the wool and mohair</li> <li>• loan computations and disbursements and LDP computations and payments are based on handbook procedures</li> </ul> </li> </ul>

## 2 Administrative Responsibilities (Continued)

### A Responsibilities (Continued)

IF the administrative level is...	THEN...
County Office (Continued)	<ul style="list-style-type: none"> <li>• annually publicize provisions of the wool and mohair loan and LDP program <b>before:</b> <ul style="list-style-type: none"> <li>• the beginning of each crop year</li> <li>• making loans and LDP's for the current crop year.</li> </ul> </li> </ul> <p><b>Note:</b> At a minimum, publicity must include:</p> <ul style="list-style-type: none"> <li>• a handout or newsletter mailed to all eligible producers before extracting begins for the first wool and mohair crop eligible for loans or LDP's</li> <li>• beneficial interest requirements</li> <li>• at the time the loan or LDP is made, a brief but complete explanation of the producer's required actions</li> <li>• a reminder to producers:             <ul style="list-style-type: none"> <li>• of the administrative actions that apply for loan and LDP violations</li> <li>• that it is the producer's responsibility to maintain the quality of the wool and mohair in farm storage through the term of the loan.</li> </ul> </li> </ul>

## 2 Administrative Responsibilities (Continued)

### A Responsibilities (Continued)

IF the administrative level is...	THEN...
PDD	PDD must: <ul style="list-style-type: none"> <li>• certify and distribute reports of loan and LDP activities</li> <li>• maintain all required interfaces with accounting to reflect loan and LDP activity</li> <li>• provide automation support to implement loan and LDP program policies when requested by PSD.</li> </ul>

### B Nondiscrimination Responsibilities

STC or COC must **not**, on the basis of 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, bar any producer from participation in, or otherwise subject any producer to discrimination with respect to any benefits resulting from its approval to participate in a loan or LDP program.

## 2 Administrative Responsibilities (Continued)

### C Outreach Responsibilities

STC and COC shall ensure that price support marketing assistance loan and LDP program information and awareness is communicated to underrepresented individuals, groups, and communities. Underrepresented individuals, groups, and communities may include, but are not limited to, minority farmers and cooperatives.

State Outreach Coordinators (SOC) must:

- work with State Communications Coordinator (CC) and County Office Outreach Coordinators (COOC's) to ensure that the availability of loans and LDP's is publicized through GovDelivery, newspaper, and other applicable broadcast mediums
- provide awareness of loan eligibility, rates, and sign-up dates to partner organizations who work with local producers and operators
- coordinate with COOC's to ensure informational meetings regarding the program are conducted and eligibility criteria is disseminated
- ensure all county and State outreach efforts are recorded in the Outreach Tracking Information System (OTIS)
- identify successful loan program participants to the CC for potential producer stories.

CED's and COC's must:

- educate local groups, associations, organizations, and cooperatives on program provisions annually by hosting and participating in informational outreach meetings
- ensure outreach efforts as applicable in OTIS are entered and recorded as required
- identify successful program participants to SOC for potential producer stories.



### 3 Signatures, Authorizations, and Approvals

#### A Signatures

County Offices must follow 1-CM for producers' signature and authorization provisions. See 1-CM, Exhibit 50 for a list of forms for which FAX signatures are **not** acceptable.

Persons may sign loan or LDP documents, repay a loan, or act in a representative or fiduciary capacity **only** when evidence of authority is granted by completing 1 of the following and filing the document in the County Office:

- FSA-211
- CCC-902E signed by an officer.

**Exception:** A husband and wife may sign loan or LDP documents for each other **unless** written documentation denying this authority is provided to the County Office.

#### B Redlegation of Authority by COC or CED

The authority to approve all loan and LDP forms and documents prepared according to this handbook may be redelegated, in writing, according to 16-AO by the following:

- COC to CED, except those in which CED has a monetary interest
- CED to Federal and non-Federal County Office employees, except those in which the person approving has a monetary interest.

**Reminder:** Cross training in all applicable program areas must be completed before redelegation of signing authority is made.

Follow this table for exceptions to redelegate authority for approval of loans and LDP's.

IF the producer is...	THEN the approval authority must be...
a State, Federal, or County Office employee	CED.
COC member	
DD	
STC member	
SED	
CED	COC.

**Note:** Questionable cases may be referred to the next higher authority for determination.

## 4 Related Handbooks

### A FSA Handbooks

FSA handbooks related to wool and mohair loan and LDP programs are listed in the following.

<b>Handbook</b>	<b>Purpose</b>
9-AO	Audits and Investigations
1-APP	Program Appeals, Mediation, and Litigation
32-AS	Records Management
1-CM	Common Management and Operating Provisions
10-CM	Farm, Tract, and Crop Data
2-CP	Acreage and Compliance Determinations
4-CP	FAV Payment Reductions
6-CP	Highly Erodible Land Conservation and Wetland Conservation Provisions
7-CP	Finality Rule and Equitable Relief
1-FI	Processing Payments Initiated Through NPS
50-FI	Interest Rates
58-FI	Managing FSA and CCC Debts, Receivables, and Claims (for State and County Offices)
61-FI	Handling Prompt Payment Interest Penalties
62-FI	Reporting Data to IRS
63-FI	Financial Services Web Application
64-FI	Establishing and Reporting Receipts and Receivables on the National Receipts and Receivables System
8-LP	Marketing Assistance Loans and Loan Deficiency Payments for 2008 and Subsequent Crop Years
1-PL	Payment Limitations
3-PL	Web-Based Subsidiary Files for 2009 and Subsequent Years
4-PL	Payment Eligibility, Payment Limitation, and Average Adjusted Gross Income
5-PL	Payment Eligibility, Payment Limitation, and Average Adjusted Gross Income - Agricultural Act of 2014
6-PL	Payment Limitation, Payment Eligibility, and Average Adjusted Gross Income
16-PS	Price Support Commodity Loan Processing System Automation for 2015 and Subsequent Years
17-PS	Price Support Loan and LDP Administrative System
19-PS	Price Support Loan Deficiency Payments Automation for 2022 and Subsequent Years

### 5-14 (Reserved)

## Section 2 General Provisions

## 15 Basic Provisions

## A Statutory Loan Rates

The national statutory loan rates provided in the Agriculture Improvement Act of 2018 for mohair and wool produced during the 2019 through 2023 crop year are as follows.

Commodity	Loan Rate 2019 Through 2023
Graded Wool	\$1.15 per pound
Mohair	\$4.20 per pound
Ungraded Wool	\$0.40 per pound

**Note:** Crop year specific loan rates for applicable microns of graded wool will be announced each crop year by press release and LP notice and/or handbook amendment.

## B Final Availability Date

The final availability date to request:

- a mohair or wool loan or LDP is **January 31** of the year following the year in which the applicable commodity is sheared
- an LDP for unshorn pelts is **January 31** of the year following the year in which the unshorn lamb is slaughtered.

For an application to be considered complete, the application and all supporting documentation, including eligibility forms must be submitted by the final availability date.

**15 Basic Provisions (Continued)****C Announcing Posted Prices**

Prices for wool and mohair, if applicable, will be announced each Tuesday at 3 p.m. EST. until further notice. The posted prices will become effective Wednesday at 12:01 a.m. EST.

If the posted prices are **not** announced as scheduled, the last posted prices announced will remain in effect until the next posted price is announced. In such an instance, a producer will receive the rate in effect on the day of the request.

**D Availability**

Loans and LDP's are available to eligible producers in any area in the U.S. and Puerto Rico where the applicable commodity is produced.

**E Requesting Loans and LDP's**

Requests for loans and LDP's must be made on or before the final loan availability date for requesting loans and LDP's.

**F Final Disbursement Date**

The disbursement date must not be later than 30 calendar days after the final loan availability date. When the final loan availability date falls on a non workday, the final date will be extended to the next workday.

State Offices may grant extensions in 15-day increments, as applicable.

**G Crop Year**

The crop year applicable to mohair, unshorn pelts, and wool is the calendar year beginning January 1 and ending December 31.

**16 Mohair and Wool Loan Rates****A 2023 Crop Year Loan Rates for Wool and Mohair**

Loan rates applicable to 2023 crop year eligible mohair and wool are as follows.

<b>Commodity</b>	<b>Micron</b>	<b>All Regions Loan Rate (\$/lb.)</b>
Graded (Clean) Wool	<18.6	\$3.87
	18.6 - 19.5	\$3.56
	19.6 - 20.5	\$3.44
	20.6 - 22.0	\$3.40
	22.1 - 23.5	\$3.06
	23.6 - 25.9	\$2.96
	26.0 - 28.9	\$0.98
	29.0 and over	\$0.40
Nongraded (Greasy) Wool		\$0.40
Mohair		\$4.20

**17 Beneficial Interest****A Applicability**

General beneficial interest provisions provided in Exhibit 2 applies to the following:

- mohair
- unshorn pelts
- wool.

**B Retaining Beneficial Interest**

For a producer to retain eligibility to obtain a loan or LDP, any contract signed by a producer must conform to all provisions for beneficial interest according to Exhibit 2.

For mohair and wool, beneficial interest must be retained by a producer from shearing continuously through:

- for LDP, the date LDP is requested
- for loan, the earlier of the following date:
  - the loan is repaid
  - CCC takes title to the commodity.

See paragraph 406 for unshorn pelts if beneficial interest will be maintained.

**C Wool Pool Delivery**

Beneficial interest in a commodity delivered to a wool pool, broker, or intermediary is lost upon the earlier of the following:

- delivery to the wool pool
- delivery to an agent of the wool pool, broker, or intermediary.

17 Beneficial Interest (Continued)

**D Loss Versus Loss of Beneficial Interest**

Loss of a marketing loan commodity because of fire, theft, or natural causes, such as flood or storm events, is **not** loss of beneficial interest.

Beneficial interest relates to legal ownership and control of a commodity that exists. Loss of beneficial interest may occur when the commodity is sold or control is lost, but is **not** defined by a physical loss because of fire, theft, natural disaster, or other such occurrences.

Accordingly, a commodity for which CCC-633 EZ, page 1 was filed, but that subsequently burned, would **not** be eligible if an LDP is requested because the commodity was lost. The date of the fire would **not** be construed to be the date beneficial interest was lost.

18-199 (Reserved)





**Part 2 Eligibility Requirements****Section 1 Producer Eligibility****200 Eligible Producer****A Eligible Mohair and Wool Producers**

To be eligible for a nonrecourse MAL or LDP for mohair and wool, producers must:

- meet the definition of an eligible producer according to Exhibit 2
- have beneficial interest in the commodity according to paragraph 17
- produce and shear eligible mohair and wool in the U.S. during the applicable crop year
- own, other than through a security interest mortgage, or lien, the sheep and goats that produced the mohair and wool for a period of not less than 30 calendar days before shearing
- report all cropland acreage on applicable farms where the eligible commodity is produced according to paragraph 202.

**Note:** See paragraph 300 for CMA's eligible to receive LDP or MAL.

**B Eligible Unshorn Pelt Producers**

To be eligible for an unshorn pelt LDP, producers must:

- meet the definition of an eligible producer according to Exhibit 2
- have beneficial interest in the commodity according to paragraph 17
- own the unshorn lamb for at least 30 calendar days before the:
  - date of slaughter
  - LDP request is submitted to the County Office
- sell the unshorn lamb for immediate slaughter or slaughter the unshorn lamb for personal use
- report all cropland acreage on applicable farms where the eligible commodity is produced according to paragraph 202
- submit acceptable production evidence, according to paragraph 525, to the County Office at the time of the LDP request.

**201 Ineligible Producer****A Ineligibility**

Ineligible producers are producers who:

- have cropland and have not reported acreage on FSA-578 for the current crop year according to the following:
  - 2-CP
  - paragraph 202

**Note:** Acreage reports are **not** required before a loan or LDP is disbursed to a producer of mohair, unshorn pelts, and wool. Refer to 8-LP for additional policy on crop reporting.

- violate WC and HELC provisions according to 6-CP
- have a delinquent non-tax debt to the Federal Government
- are convicted under Federal or State law of a controlled substance violation according to 1-CM, Part 30.

**B Ineligible Unshorn Pelt Producers**

In addition to ineligibility factors provided in subparagraph A, the following producers are ineligible to request benefits on unshorn pelts produced from unshorn lambs purchased from eligible producers:

- lamb slaughter companies
- order buyers representing lamb slaughter companies
- processors.

**Note:** Producers who sell feeder lambs to a feeder lamb buyer are ineligible for LDP on the unshorn pelt. However, the feeder lamb buyer is eligible if the feeder lamb buyer is an eligible producer according to paragraph 200.

Producers are ineligible for LDP if unshorn lambs are **not** either of the following:

- sold for immediate slaughter
- slaughtered immediately for personal use.

## 202 Acreage Reports

### A Producers Associated With a Farm

To be eligible for a nonrecourse MAL or LDP, producers who are associated with a farm that has cropland are required to complete and submit an acreage report of all those cropland acres on FSA-578 on applicable farms where the eligible commodity is produced according to 2-CP.

### B Producers Not Associated With a Farm

Eligible producers who are not associated with a farm and do not have cropland are **not** required to complete an acreage report on FSA-578.

### C Disbursing Benefits

Acreage report deadlines for different commodities vary throughout the crop year. Certain commodities are produced all year long and planting intentions may not be known for the cropland at the time of the loan or LDP request. Therefore, producers are not required to file an acreage report before a loan or LDP is approved and disbursed for the following:

- mohair
- unshorn pelts
- wool.

Producers are required to file an accurate acreage report for all their cropland acres with the appropriate County Office by the deadline dates applicable to the planted crop. Producers who do not accurately certify acreage according to 2-CP will be required to repay any market loan gain realized for mohair, unshorn pelts, or wool or refund any LDP received.

**Note:** County Offices must perform end-of-year file reviews on each producer to ensure that producers with cropland acres have filed acreage reports as required. For multi-county producers, the administrative county will contact all other counties to ensure all applicable cropland has been reported.

**203 AGI and Payment Limitation**

**A AGI Provisions**

A person or legal entity will **not** be eligible to receive a market loan gain or LDP benefits during the **2019 through 2023** crop years if the average AGI exceeds \$900,000.

See 8-LP for additional AGI provisions.

**B Payment Limitation Provisions**

There is no payment limitation for crop year 2019 through 2023. See 8-LP for additional information.

**204-219 (Reserved)**

**Section 2 Commodity Eligibility****220 Wool and Mohair Eligibility****A Commodities Eligible for Loan and LDP**

The commodities eligible for loan and LDP under this Part are as follows:

- mohair (net weight)
- graded wool (net weight)
- ungraded wool (net weight).

Unshorn pelts are **only** eligible for LDP.

**B Eligible Mohair and Wool**

To be eligible for a nonrecourse MAL or LDP, the mohair and wool must be:

- produced and sheared by the eligible producer
- in existence and in storable condition
- of merchantable quality suitable for loan
- produced and shorn in the U.S.
- produced and shorn from live animals of domestic origin and located in the U.S.
- unprocessed.

**C Eligible Offsorts**

The following offsorts from skirting fleece wool are eligible for loan or LDP at the ungraded rate:

- tags
- crutchings
- bellies
- pieces.

**Note:** Applicable ungraded wool CCC discounts for offsorts will apply to wool forfeited or settled to CCC, according to Part 7.

**220 Wool and Mohair Eligibility (Continued)**

**D Eligible Unshorn Pelts**

To be eligible for LDP, the unshorn pelts must:

- have been produced by an eligible producer according to subparagraph B
- be produced from a live unshorn lamb sold for immediate slaughter or slaughtered for personal use
- be produced from a live unshorn lamb of domestic origin in the U.S. at the time beneficial interest is lost.

**221 Ineligible Commodities****A Commodity Ineligibility**

Commodities covered under this part are ineligible for a nonrecourse MAL or LDP, if the commodity is:

- purchased
- substituted
- gifted
- traded or bartered
- processed or altered from natural form.

**Note:** This does not include scoured or carded commodities.

**B Destroyed Commodities**

Mohair and wool are ineligible for a nonrecourse MAL or LDP if the commodity is:

- burned
- buried
- destroyed by any other means.

**Note:** LDP must be disbursed and sufficient time allotted for the spot check process, according to paragraph 501, before a commodity can be destroyed.

**C Ineligible Unshorn Pelts**

Unshorn lambs killed by predators are ineligible for an unshorn pelt LDP.

**222 Graded Wool****A Eligible Graded Wool**

To obtain a loan or LDP at the graded rate, the wool must be core tested by a CCC-approved testing facility to objectively measure the following through laboratory analysis:

- fiber diameter (micron)
- yield.

To receive a graded wool LDP or MAL, the producer must provide a copy of the core test report or core test certificate from the CCC-approved testing facility containing the results of the laboratory analysis to the FSA County Office before benefits will be disbursed. See Exhibit 3 for examples of core test reports.

**Note:** The core test report results must **not** be averaged for purposes of determining a micron and yield for ungraded quantities commingled with graded quantities.

**B CCC-Approved Testing Facilities**

Core test reports or core test certificates will be accepted from the following CCC-approved testing facilities:

Bill Sims Wool and Mohair Research Laboratory  
Texas A&M AgriLife Research and Extension Center  
7887 U.S. Hwy 87 N  
San Angelo, TX 76901

New Zealand Wool Testing Authority Ltd.  
Cnr Bridge Street and Lever Street  
P.O. Box 12065  
Ahuriri, Napier, New Zealand 4110  
+64 6 835 1086  
e-mail: [testing@nzwta.co.nz](mailto:testing@nzwta.co.nz)



## 222 Graded Wool (Continued)

**C Approving CCC Testing Facilities**

Testing laboratories or facilities who want to be considered for CCC approval must:

- objectively measure through laboratory analysis the fiber diameter (Laserscan) and yield of wool fibers
- use ISO 17025 testing methods as followed by the International Wool Textile Organization (IWTO)
- be one of the following:
  - a certified IWTO licensed laboratory
  - an accredited ISO 17025 laboratory for test methods
- present general consensus of approval from the industry's primary grease wool warehouse/buyers
- participate in the Interwoollabs international wool testing round trials annually

**Note:** Reports must be sent to FSA National Office annually.

- provide a letter of support from a sheep/wool industry association/stakeholder
- submit CCC-631 to the National Office according to paragraph 223.

**D Core Sampling**

Sampling for the determination of micron and yield requires a core sample to be obtained from each bale in the lot. Core samples must represent the entire wool lot for the integrity of testing and the confidence of using objective measurement in the wool industry. Wool core sampling must be done according to the requirements provided by the CCC-approved testing facility.

Many testing facilities employ core testing agents or sampling officers that core sample lots of wool stored on the farm or at a stored location according to IWTO requirements on behalf of the CCC-approved testing facility. Producers must check with the CCC-approved testing facility about the availability of this service.

**222 Graded Wool (Continued)****E Individual Animal Reports**

Individual animal test reports will not be accepted as an acceptable core test report to obtain the graded loan or LDP rate.

**F Yield Conversion to Eligible Graded Wool Quantity**

Graded wool is weighed on a greasy basis and must be converted to a clean basis to determine the quantity eligible for loan or LDP. The net quantity of wool must be converted using the Schlumberger Yield obtained from the core test report to determine the eligible loan or LDP quantity for graded wool.

To process a graded wool loan or LDP, the Schlumberger Yield must be entered into CLPS or LDP according to 16-PS.

**G Graded Quantities**

Graded quantities for multiple core test reports may be submitted on 1 loan or LDP request form. However, the graded quantities must be entered in the software as separate loans or LDP's per core test report according to the applicable micron and yield for the graded quantity.

Use the "Additional Information" section on the applicable LDP request form to record varying LDP rates and CCC-determined values.

**H Micron**

The micron is identified as the (airflow) mean fiber diameter on the core test report from the CCC-approved testing facility.

## 223 CCC-631, CCC Wool Testing Facility Certification and Application

**A Completing CCC-631**

Fiber testing laboratories or facilities of graded wool who want to be considered for CCC approval must complete CCC-631 to:

- certify to CCC requirements for approved facilities according to subparagraph 222 C
- request consideration from CCC to become an approved facility for purposes of grading wool and providing test results for graded wool loans and LDP's.

Complete CCC-631 according to the following.

Item	Instructions
1	Enter name, address, and telephone number of the wool testing facility or laboratory.
2	Enter name and telephone number of a person that may be contacted for additional information if necessary.
3	Enter title of the contact person.
4	Enter check (✓) in the appropriate box in response to the question, "Is your testing facility/laboratory licensed by the International Wool Textile Organization (IWTO) to issue IWTO test certificates?"  <b>Note:</b> If yes, a sample copy of the IWTO test certificate is required with the application.
5	Enter check (✓) in the appropriate box in response to the question, "Does your facility/laboratory employ sampling officers or core testing agents located in the U.S., to core sample lots of U.S., produced wool in accordance with IWTO requirements?"
6A	Enter names of U.S. sampling officers or core testing agents who core sample lots of wool produced in the U.S.
6B	Enter address of the U.S. warehouse affiliated with the U.S. sampling officers or core testing agents.
6C	Enter telephone number of the U.S. warehouse affiliated with the U.S. sampling officers or core testing agents.
7	Applicants <b>must</b> read the certification statement.
8A through 8C	After reading the certification statement, enter signature and title of the authorized representative of the testing facility/laboratory, and the date of signature.
9	CCC representative will sign for CCC if the application request is approved.
10	CCC representative will sign for CCC if the application request is disapproved.
11	CCC representative will enter the date of approval or disapproval.
12	CCC representative will enter any remarks and reasons for disapproval, if applicable.

## 223 CCC-631, CCC Wool Testing Facility Certification and Application (Continued)

## B Example of CCC-631

The following is an example of CCC-631.

<b>This form is available electronically.</b> <b>CCC-631</b> (02-04-11)			<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation		
<b>CCC WOOL TESTING FACILITY CERTIFICATION AND APPLICATION</b>					
<p><b>NOTE:</b> 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 1421, Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility request approval from CCC to become an approved testing facility under the nonrecourse loan and loan deficiency payment programs. 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.</p> <p>This information collection is exempted from the Paperwork Reduction Act as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Pub. L. 110-246, Title I, Subtitle F-Administration). The provisions of appropriate criminal and civil fraud, privacy and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b></p>					
<b>PART A – GENERAL INFORMATION</b>					
1A. Name and Address of Wool Testing Facility/Laboratory  Acme Testing Labs, Inc. 123 Main Street Anytown, CO			2A. Name of Contact Person  John B. Tester  2B. Telephone No. of Contact Person (Include Area Code): (012) 345-6789		
1B. Telephone No. of Facility (Include Area Code):			3. Title of Contact Person Lab Supervisor		
<b>PART B – TEST FACILITY INFORMATION</b>					
			YES	NO	
4. Is your testing facility/laboratory licensed by the International Wool Textile Organization (IWTO) to issue IWTO test certificates? (If "YES", a sample copy of the IWTO test certificate your facility issues to customers is required with application).			<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5. Does your facility/laboratory employ sampling officers or core testing agents located in the U.S., to core sample lots of U.S. produced wool in accordance to IWTO requirements?			<input checked="" type="checkbox"/>	<input type="checkbox"/>	
6. Indicate the names(s) of U.S. sampling officers or core testing agents who core sample lots or wool produced in the U.S. and the name and address of their associated U.S. warehouse:					
A.		B.		C.	
Sampling Officer/Core Testing Agent		Name and Address of Associated U.S. Warehouse		Telephone Number (Include Area Code)	
Fred Smith		ABC Wool Warehouse 567 Elm Street, Anytown, TX		(917) 123-4567	
<b>PART C – TEST FACILITY CERTIFICATION</b>					
7. The undersigned person, on behalf of the facility identified in Item 1A, hereby makes application to become a "CCC approved testing facility to grade wool and issue core test reports or test certificates containing the graded wool's fiber diameter (micron) and yield to eligible producers of wool participating in the nonrecourse marketing assistance loan and loan deficiency payment programs for graded wool. The undersigned person also certifies on behalf of the above named facility indicate in Item 1A that all information entered on this form is true and correct.					
8A. Signature of Facility/Laboratory Representative  /s/ John B. Tester		8B. Title  Lab Supervisor		8C. Date (MM-DD-YYYY)  08-05-2011	
<b>PART D – CCC'S DETERMINATION</b>					
9. Approved for CCC by:			12. Remarks and Reasons for Disapproval, as applicable :		
10. Disapproved for CCC by:					
11. Date (MM-DD-YYYY)					
<p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</p>					

224-299 (Reserved)

**Part 3 Loanmaking Provisions****300 Basic Loan Provisions****A Availability of Loans**

Eligible producers may obtain loans by placing the eligible commodity in approved:

- farm storage, according to paragraph 305, and obtaining a loan on the eligible quantity
- warehouse storage, according to paragraph 306, and obtaining a loan on 100 percent of the net quantity shown on the warehouse receipt.

Eligible producers may obtain LDP's instead of a loan. See Part 4 for mohair and wool LDP provisions.

**B Obtaining Loans**

Eligible producers may obtain a loan only from either of the following:

- the County Office that keeps the farm records for the farm on which the mohair or wool was produced (the administrative county)
- an approved CMA according to the following:
  - 8-LP subparagraph 500 C
  - 1-CMA, Exhibit 4.

Multi-county producers will request loans according to 8-LP, subparagraph 501 A.

**300 Basic Loan Provisions (Continued)****C Joint Loans and LDP's**

Loans and LDP's must be disbursed jointly if the mohair or wool is either of the following:

- jointly owned
- stored/commingled in the same bag or lot.

Producers with commingled production must all agree to take either the loan or LDP.

**Note:** Producers with production commingled in a lot may obtain a separate loan or LDP if the mohair or wool is individually bagged and identified.

**D Base Loan Rates**

Base loan rates for farm-stored and warehouse-stored commodities will be national rates.

**E Premiums and Discounts**

Loan rates will be adjusted for applicable premiums and discounts, according to the crop year specific schedule provided in Part 7, at either of the following:

- settlement for farm-stored loans
- forfeiture for warehouse-stored loans.

**Note:** Loan rates are **not** adjusted for premiums and discounts at loan disbursement.

**F Commodity Ineligible for Loan**

Ungraded wool in the form of unshorn pelts is **not** eligible for a nonrecourse MAL.

## 301 Requesting Loans

### A When to Request Loans

Requests for loans:

- may be:
  - filed in person
  - received by mail, FAX, telephone, or e-mail
- must be:
  - requested no later than the final loan availability date

**Note:** When the final loan availability date falls on a non workday, the final date must be extended to the next workday.

- processed and disbursed through CLPS as soon as possible according to 16-PS
- handled according to the Prompt Payment Act requirements in 8-LP, paragraph 33, and 61-FI

**Note:** County Offices will **not** honor requests from producers to delay disbursements on completed applications.

- requested **before** beneficial interest is considered lost.

**Note:** See paragraphs 17 and 408.

### B How to Request Loans

When requesting a loan for mohair or wool, producers must complete CCC-633WM according to paragraph 302. A separate CCC-633WM must be completed for graded and ungraded loan quantities.

### C Lien Searches

After the loan request is filed, a lien search must be performed and lien waiver obtained if applicable, according to 8-LP, paragraphs 503 and 504, before the loan is approved.

### D Denying Loan Requests

When the producer is denied loan benefits, County Offices must proceed according to 8-LP, paragraph 501.

## 302 CCC-633WM, Wool and Mohair Loan Quantity Certification and Worksheet

## A Completing CCC-633WM

Mohair and wool producers will complete CCC-633WM to certify the type, quantity, and identification of production pledged to secure a CCC MAL from FSA according to the following.

Item	Instructions
1	Enter County Office name, address, and telephone number.
2	Enter name, mailing address, and telephone number of the individual contact producer, entity, partnership, joint venture, trust, estate, or corporation that is requesting a loan on farm-stored mohair or wool.
3	Enter location or legal description where commodity is stored.
4	Enter crop year of the commodity.
5	Enter check (✓) in the appropriate box to identify the applicable commodity.
6	Enter State and county codes and loan number applicable to the County Office disbursing the loan.
7	Ask producer if there are liens on the commodity. If: <ul style="list-style-type: none"> <li>• lien holders, enter lien holder's name and address for each producer</li> <li>• no lien holders, producers <b>must</b> enter "none" and initial the entry.</li> </ul>
8	Enter number of animals that make up the current size of the herd. If wool, also enter the breed and type.
9	Enter lot and/or bag number assigned to loan collateral.
10	Enter year the loan collateral was shorn in the U.S.
11	Enter micron and yield from the core test results.  <b>Note:</b> This entry is only required if "graded wool" was selected in item 5.
12	Enter number of head of shorn animals eligible for loan.
13	Enter number of bags that contain the loan collateral.
14	Enter total quantity of the commodity for loan in pounds.
15	Enter total from column 14.
16	Producers must read the certification statement. Enter check (✓) in the appropriate box to the question, "Are you or any co-applicant delinquent on any federal non tax debt?"
17A through 17H	After reading the producer certification statement, all producers must sign and date.
18	Representatives or commissioned agents storing the eligible loan quantity must read the storing facility certification statement.
19A through 20B	After reading the storing facility certification, the commissioned agent or representative of the facility storing the loan collateral must sign and date.



## 302 CCC-633WM, Wool and Mohair Loan Quantity Certification and Worksheet (Continued)

## A Completing CCC-633WM (Continued)

Item	Instructions
21	Enter date the lien search was completed as indicated on documentation in the County Office.
22	Enter date the County Office forwarded UCC-1 to the applicable recording official to be recorded.
23A	Delegated County Office employee must sign for CCC.
23B	Delegated County Office employee must date for CCC.
24	Enter the following: <ul style="list-style-type: none"> <li>farm number or numbers where the commodity for the loan was produced</li> <li>additional information from other items if necessary.</li> </ul>

## B Example of CCC-633WM

The following is an example of CCC-633WM.

This form is available electronically. <span style="float: right;">(See Page 2 for the Privacy Act and Paperwork Reduction Act Statements.)</span> <b>CCC-633WM</b> (09-05-19)														U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation														1A. COUNTY FSA OFFICE NAME AND ADDRESS																																																																			
<b>WOOL AND MOHAIR LOAN QUANTITY CERTIFICATION AND WORKSHEET</b>														1B. TELEPHONE NO. (INCLUDE AREA CODE):																																																																																	
2A. NAME AND MAILING ADDRESS OF PRODUCER														3. STORING FACILITY NAME AND ADDRESS OR LOCATION OF FARM WHERE STORED														4. CROP YEAR														6. ST. & CO. CODE & LOAN NO. (FOR FSA USE ONLY)														7. LIENHOLDERS (If no liens, enter "NONE" and initial)														8. CURRENT HERD SIZE (Breed and Type)																									
2B. TELEPHONE NO. (INCLUDE AREA CODE):														5. COMMODITY (If Wool grade is checked, complete Item 11) <input type="checkbox"/> Wool (graded) <input type="checkbox"/> Wool (non-graded) <input type="checkbox"/> Mohair																																																																																	
9. LOT NUMBER				10. YEAR SHORN				11. TYPE (For Wool grade only, enter the micron and yield obtained from the core test result)				12. NUMBER OF HEAD SHORN				13. NUMBER OF BAGS				14. TOTAL QUALITY FOR LOAN (LBS.)				9. LOT NUMBER				10. YEAR SHORN				11. TYPE (For Wool grade only, enter the micron and yield obtained from the core test result)				12. NUMBER OF HEAD SHORN				13. NUMBER OF BAGS				14. TOTAL QUALITY FOR LOAN (LBS.)																																																			
																												15. GRAND TOTAL QUANTITY:																																																																			
<b>16. PRODUCER'S CERTIFICATION</b> <i>The undersigned producer(s) ("Producer") requests a farm-stored Commodity Credit Corporation (CCC) loan on the commodity identified in Item 5 with respect to the quantity specified in Item 14. The Producer certifies that: (1) the Producer has beneficial interest in the quantity of the commodity shown in Item 14; (2) the commodity is eligible to be pledged as collateral for a CCC loan; (3) the Producer has retained control of the commodity at all times; (4) the quantity of the commodity shown in Item 14 above was produced and shorn in the year indicated in Item 10; (5) the quantity of the commodity shown in Item 14 above is in existence and is stored as noted in Item 5 above; (6) the commodity is in storable condition and such condition will be maintained; (7) the structure will safely store the commodity through the loan period; and (8) the commodity on which the loan is requested or which serves as collateral for a loan made to the producer is free and clear of all liens, security interest, and encumbrances, except as shown above. The Producer further agrees that upon request from CCC, to supply CCC with a list of all wool and mohair in which the producer has an interest and where it is currently located. The Producer further agrees to (1) maintain the identity of any wool and mohair which serves as collateral for the loan; and (2) not move or commingle any wool or mohair which serves as collateral for the loan with any other quantity without prior written approval of CCC; and (3) provide a core test to CCC from a CCC approved testing facility for a loan on graded wool.</i>  <i>Additionally, I certify this commodity: (1) is not purchased wool or mohair; and (2) was produced and sheared from live sheep and goats of domestic origin in the United States for a period of not less than 30 days prior to shearing.</i>  <i>Are you or any co-applicant delinquent on any federal non-tax debt? (If "YES", provide details in the remarks on Page 2.)</i> <input type="checkbox"/> YES <input type="checkbox"/> NO																																																																																															
17A. PRODUCER'S SIGNATURE (BY)																								17B. Title/Relationship (Individual Signing in the representative capacity)																								17C. DATE (MM-DD-YYYY)																																															
17D. PRODUCER'S SIGNATURE (BY)																								17E. Title/Relationship (Individual Signing in the representative capacity)																								17F. DATE (MM-DD-YYYY)																																															
<b>18. STORING FACILITY CERTIFICATION</b> <i>The undersigned commissioned agent or representative of the storing facility certifies that: (1) the above listed commodity is stored on behalf of the producer requesting the loan; (2) the commodity is in a storable condition and such condition shall be maintained; (3) the structure will safely store the commodity through the loan period. The storing facility representative further understands that before the commodity is sold to a buyer, approval must be obtained from CCC.</i>																																																																																															
19A. REPRESENTATIVE'S SIGNATURE																								19B. DATE (MM-DD-YYYY)												20A. REPRESENTATIVE'S SIGNATURE																								20B. DATE (MM-DD-YYYY)																																			
<b>FOR OFFICIAL USE ONLY</b>																																																																																															
21. LIEN SEARCH DATE (MM-DD-YYYY)																								22. DATE UCC-1/UCC-1F File (MM-DD-YYYY)																								23A. APPROVED FOR CCC BY																								23B. DATE (MM-DD-YYYY)																							

### B Example of CCC-633WM (Continued)

CCC-633WM (09-05-19)

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24. Remarks

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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Agriculture Improvement Act of 2018 (Pub. L. 115-334), 7 CFR Part 1421, 7 CFR Part 1425, 7 CFR Part 1427 and 7 CFR Part 1434. The information will be used to determine eligibility for farm-stored loan program benefits. 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). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for farm-stored loan program benefits.

**Paperwork Reduction Act (PRA) Statement:** The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

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 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.

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.

**302 CCC-633WM, Wool and Mohair Loan Quantity Certification and Worksheet (Continued)****C Applicable Form**

The producer must certify to the quantity of the commodity and the eligibility for MAL. County Offices will accept the producer's certification on CCC-633WM, according to this paragraph. Mohair and wool, for which a producer certifies and provides no production evidence, is subject to spot check for any quantity placed under loan or any quantity for which LDP is requested. The producer is responsible for any loss in quantity and quality of the commodity placed under loan.

**D Producer Certification for Loan**

The producer must sign CCC-633WM certifying the following:

- having beneficial interest in the mohair or wool
- quantity in the bags and how the determination was made
- quantity on which to base the loan
- storability of the mohair or wool
- location of the commodity and, if applicable, designated storage structures
- number of head of goat or sheep shorn to produce the applicable mohair or wool
- year the mohair or wool was shorn
- CCC-683 and labeling requirements, according to subparagraph 303 B, will be posted by the producer or commissioned agent on the bags containing the loan collateral as instructed when the loan is disbursed
- whether there are lienholders having an interest in the mohair or wool that will secure the loan

**302 CCC-633WM, Wool and Mohair Loan Quantity Certification and Worksheet (Continued)****D Producer Certification for Loan (Continued)**

- applicable type (micron/yield from core test report for graded wool or type of mohair, for example, fine kid, good kid, fine young goat, etc.)
- the identity of the commodity securing the farm-stored loan will remain unchanged
- mohair or wool securing the farm-stored loan will not be moved or commingled with any other commodity without prior written approval of the County Office.

**Note:** If producers designate additional storage structures according to 8-LP, paragraph 526, loan collateral may be moved without prior County Office approval.

Remind producers of the administrative actions applicable for incorrect certification.

**E Storing Facility Certification**

If the commodity is stored in the facility of a commissioned agent according to subparagraph 305 B and C, the storing facility will also certify the following on CCC633WM:

- the pledged commodity is stored on behalf of the producer requesting the loan
- the commodity is in storable condition and such condition will be maintained
- the structure will safely store the commodity through the loan period
- it is understood that before the commodity can be sold to a buyer, approval must be obtained from CCC.

**303 Storage and Packing Requirements****A Approved Storage Bags**

Mohair and wool pledged for loan collateral must be stored in any of the following types of bags specifically designed for storing mohair and wool:

- standard jute burlap bags or packs
- polyethylene plastic film packs
- high density polyethylene packs
- nylon packs.

**B Labeling Requirements**

Each bag of mohair or wool pledged for loan collateral must be identified with a label containing the following information:

- producer's name
- lot/bale/bag number
- commodity
- date of shearing
- type, for mohair only (such as, kid, adult, yearling, etc.)
- net weight, if available in the case of farm-stored commodities.

**Note:** CCC-683 must be affixed to each lot under loan identifying the number of bags in the lot.

**304 Loss or Damage to Loan Collateral****A Producer Responsibility**

The producer is responsible for any loss in quantity or quality of the commodity pledged as collateral for a CCC loan, including but not limited to damages from the following:

- fire
- flood
- storm
- other acts of nature or extenuating circumstances.

When loss or damage to CCC loan collateral occurs, the producer is responsible for immediately notifying the applicable County Office of the following:

- date of loss
- location of loss
- full extent of the loss.

**Note:** Each producer signing for the CCC loan is jointly and severally liable for repayment of the amount due.

**B County Office Responsibility**

After a County Office is notified by a producer of damaged or destroyed loan collateral according to subparagraph A, the County Office must:

- identify applicable loan numbers involved
- immediately notify the State Office
- notify the producer of the following:
  - loan is being called
  - affected collateral from loan must be redeemed
  - loan must be repaid at principal plus interest.

**Note:** Settlement of the affected loan collateral to CCC is **not** an option.

**304 Loss or Damage to Loan Collateral (Continued)****C Example of Notification Letter to Producer**

The following is an example of a demand letter informing a producer with damaged or destroyed collateral of action required.

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Somecounty, FSA Office  
Sometown, USA 12345-1234  
Phone: 123-456-7890

John A. Producer  
123 Highway 456  
Sometown, USA 12345-1234

Dear Mr. Producer:

On September 16, 20xx, we were notified by you that 5 bags of your 20xx wool loan number 25 and 2 bags of your 20xx mohair loan number 5 were either damaged or destroyed by fire at the Storage Packer Warehouse.

We are notifying you that your loan has been called and you must redeem the affected loan collateral at principal plus interest.

You have 30 calendar days from the date of this letter to redeem the affected loan collateral identified by the aforementioned loan numbers and repay the loan at principal plus interest. If you take no action, we will establish a receivable for the amount due in the settlement of your loan. The interest start date for the receivable is the 31st calendar day from the date of this letter.

Please contact this office if you have any questions regarding this matter.

Sincerely,

County Executive Director

**305 Farm-Stored Loans****A Approved Farm Storage**

Approved farm storage will consist of a storage structure located on or off the farm, including the storage facility of a commissioned agent, according to subparagraph B that provides safe storage for the commodity through the maturity date for the loan.

Commodities stored according to the packaging requirements in paragraph 303 may be eligible for loan if both of the following apply:

- COC determines CCC's interests are not at risk and that the bags provide safe storage
- the method of storage and the size of bags are normal for the commodity **and** in that county.

**Note:** COC, with STC concurrence, may waive this requirement on a case-by-case basis.

Commodities stored outside in an open area or temporary structure that does not protect the mohair or wool from natural elements will not be considered stored in eligible storage, even though the packaging requirements are met.

**B Warehouse Commissioned Agents**

Storing mohair and wool in a storage facility that receives payment for the storage of the mohair and wool at the time of sale to a buyer is:

- considered storage with a commissioned agent
- approved farm storage for a farm-stored loan
- not considered a warehouse.

Producers requesting certified farm-stored loans for mohair and wool stored with a commissioned agent will be required to obtain the following from the commissioned agent and provide to the County Office:

- mohair or wool weight ticket
- core test for graded wool
- name, address, and county of producers associated with commingled lot, if applicable.



**305 Farm-Stored Loans (Continued)****C Commissioned Agent Requirements**

A storage facility of mohair and wool is considered a commissioned agent if all of the following apply:

- agent operates a facility that stores mohair, wool, and/or other fibers
- fibers stored at the facility are insured at its current market value
- facility charges the producer a per pound commission from the sale of the wool to a buyer that includes storage fees, core sampling charges, or other marketing charges
- producer storing mohair or wool at the facility retains all rights to the commodity and can remove any portion of the stored commodity at any time
- producer has the right to accept or refuse bids for the mohair or wool
- commodity is identity preserved and labeled with CCC-683 according to subparagraph 303 B
- weight/scale tickets are issued by the facility on company letterhead.

**D Measurement Service**

Measurement service is not available for farm-stored mohair and wool placed under loan.

**E Maximum Quantity**

The loan quantity for certified farm-stored loans will not exceed 100 percent of the eligible quantity certified by the producer.

The mortgaged quantity for mohair and wool will be the loan quantity.

**305 Farm-Stored Loans (Continued)****F Conducting Pre-Loan Inspections**

County Offices **must** visually conduct pre-loan inspections on all farm-stored loans, excluding loan collateral stored in the storage facility of a commissioned agent. Pre-loan inspections are performed to ensure that producers who applied for loans have:

- mohair or wool packaged in acceptable bags according to subparagraph 303 A
- bags properly labeled according to subparagraph 303 B
- loan collateral segregated from non-loan collateral.

All pre-loan inspections must be:

- conducted before loan disbursements
- documented on CCC-633WM, item 24.

**306 Warehouse-Stored Loans****A Approved Warehouse-Stored Loans**

Warehouse-stored loans are **not** currently available for mohair and wool.

**B Warehouse Commissioned Agents**

See paragraph 305 for warehouse commissioned agent provisions.

**307 Loan Maturity****A Loan Maturity Date**

Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which CCC-677 or CCC-678 is approved, according to 8-LP, paragraph 507.

**B Maturity Notification to Producers**

Refer to 8-LP, paragraph 789 for provisions on notifying producers of loan maturity.

**C Producer Options**

Producers with maturing mohair or wool crop loans may select either of the following options:

- redeem the loan collateral by repaying the loan
- settle the CCC mohair or wool loan at maturity.

**D Settlement Letter**

Send the letter in subparagraph E to producers with loans:

- who have indicated they want to settle the mohair or wool to CCC
- who have **not** responded to the loan maturity notification letter
- not less than 15 calendar days before the loan maturity date.

## 307 Loan Maturity (Continued)

**E Producer Notification Letter**

The following is an example of the producer notification letter for mohair or wool.

Dear \_\_\_\_\_:

According to our records, you have a 20\_\_ crop year (*commodity type*) loan. The loan maturity date for your loan is (*month/day/year*). If you have not already notified the FSA office of your intentions, please do so at once. If you intend to settle the (*commodity type*) to the Commodity Credit Corporation (CCC), the following provisions will apply:

- you will be notified of the local sale and date to deliver (*commodity type*) to the purchaser
- settlement is limited to the quantity of (*commodity type*) originally certified on the loan less the quantity of any repaid portion
- you or your authorized agents must be at the storage location at the time of commodity inspection to sign the necessary documents
- even though your loan collateral may have been previously inspected, the USDA representative will determine final eligibility and quality factors
- your (*commodity type*) may be weighed and inspected by an FSA representative to determine the quantity delivered and the quality factors for applicable premiums and discounts
- title to the loan collateral passes to the highest bidder at the time of delivery
- you are responsible for weighing, testing, and inspection fees, or any additional charges incurred by CCC to obtain quantity or quality grading factors to apply associated premiums and discounts for mohair or wool delivered to CCC.

**307 Loan Maturity (Continued)****E Producer Notification Letter (Continued)**

Quantity and quality determinations will be made by an AMS representative for FSA. The value of the settlement of your mohair or wool will be the loan rate for the quality times the quantity to be settled adjusted by the applicable premiums and discounts. The following provisions will apply:

- you will be given 5 workdays after the date of notification to appeal the quantity or quality determination made by AMS, and you must pay for any expenses resulting from the appeal
- if the settlement value of the mohair or wool is less than the amount due on the loan, the amount of any deficiency and charges plus interest thereon must be paid to CCC by you
- if the settlement value of the mohair or wool exceeds the amount due, CCC will provide you a check for the excess amount.

If you have any questions about any of the above provisions, please contact this office for more information.

Sincerely,

County Executive Director

**308-399 (Reserved)**



**Part 4 LDP Provisions****400 LDP Requirements****A General LDP Provisions**

LDP requirements provided in this section are subject to the general provisions provided in 8-LP, Part 10, Section 1.

**B Producer Eligibility Requirements**

Producers applying for LDP must:

- meet eligibility requirements in 8-LP Part 10 Section 1, as applicable
- with the exception of unshorn pelts, agree to forgo obtaining a loan for the quantity on which LDP is requested.

**C LDP Benefits**

CCC-633 EZ must be used to request LDP benefits for wool, mohair, and unshorn pelts. CCC-633 EZ has been developed to encompass both basic and field direct LDP's.

CCC-633 EZ is a 2-part LDP request consisting of multiple pages that allow producers to do both of the following:

- indicate their intentions to receive LDP benefits before losing beneficial interest in the eligible commodity using CCC-633 EZ, page 1
- use CCC-633 EZ, page 4 to submit a request for an LDP benefit for wool, mohair, and unshorn pelts at any time during the loan/LDP availability period before or after losing beneficial interest in the commodity.

**400 LDP Requirements (Continued)****D Eligible Quantity**

To be eligible for LDP, the quantity of commodity must:

- meet eligibility requirements in 8-LP, Part 10, Section 1
- have been produced by an eligible producer
- not have been previously pledged as collateral for a loan and repaid with cash at a rate less than the principal, plus interest
- not have been previously requested or paid for LDP.

A quantity of a commodity eligible to be repledged for a nonrecourse loan is eligible for LDP.

**E LDP Common Provisions**

The following provisions are common to nonrecourse MAL's and to LDP's:

- beneficial interest
- final availability date
- assignments
- administrative offsets
- spot checks
- eligibility requirements.

**F Nonapplicable LDP Provisions**

The following provisions common for loans are **not** required for LDP:

- lien searches
- lien waivers
- approved storage
- premiums and discounts
- State commodity assessments.



**400 LDP Requirements (Continued)****G Measurement Service**

Measurement service is **not** available for farm-stored quantities of mohair and wool.

**H Certified Quantity**

Producers may request LDP by certifying the quantity. All certified LDP's are subject to spot check according to paragraph 501.

**I Quantity Supported by Production Evidence**

If producers do not wish to certify to the quantity or date delivered, requests can be completed by providing production evidence according to paragraph 525. If production evidence is provided at time of payment request, LDP will not be subject to spot check. Record this function in LDP according to 19-PS, Section 3.

**J Determining Maximum Eligible Quantities**

Before an LDP is disbursed, COC or designee, as applicable, will make a determination of reasonableness based on the maximum eligible quantity according to paragraph 528.

Quantities **not** determined reasonable must **not** be approved for LDP, **unless** production evidence is provided to substantiate the certified quantity on the LDP request.

**K Deferred Payments**

Payments **cannot** be deferred or delayed at any time. All payments must be made as soon as possible after the date of request.

**L Prompt Payment**

See 8-LP for prompt payment provisions.

**401 Requests for LDP's****A Where to Request LDP's**

Eligible producers may request LDP from either of the following:

- the County Office where the farm records are maintained for the farm on which the commodity was produced (the administrative county)
- a CMA-service County Office for CMA's according to 1-CMA.

Multi-county producers will request LDP's according to 8-LP.

**B When to Request LDP's**

LDP's must be requested:

- according to 8-LP, Part 10, using CCC-633 EZ
- on or before the final availability date for the crop year of the commodity
- in person, by FAX, or by electronic submission through USDA eAuthentication.

**Notes:** See paragraph 402 for FAX requirements.

The final availability date for wool and mohair is January 31 following the year in which the applicable commodity is sheared, or for unshorn lambs, slaughtered.

The application is considered complete once the signed application, supporting documentation including completed eligibility forms are received in the office.

**C How to Request LDP's**

When requesting LDP for a commodity, producers must complete:

- CCC-633 EZ, page 1 for the crop year before the loss of beneficial interest according to 8-LP, subparagraph 1002 A
- CCC-633 EZ, page 4 according to subparagraph 401 H.

Producers may submit:

- multiple requests using CCC-633 EZ, page 4 to cover all eligible quantities
- one CCC-633 EZ, page 4 to cover multiple commodities, if the quantities of wool, mohair, and unshorn pelts are requested on the same day.

**Note:** Once CCC-633 EZ, page 4 is submitted and approved for payment, **no other changes** can be made to the original request.

**401 Requests for LDP's (Continued)****D Complete LDP Requests**

LDP requests are complete when a County Office receives a completed and signed CCC-633 EZ, pages 1 and 4 for wool, mohair, and unshorn pelts.

LDP requests must be:

- approved when all eligibility requirements are met
- date-stamped when CCC-633 EZ, pages 1, 4, and 5, if applicable, are received in the County Office to indicate the intention and request dates.

**Note:** When any CCC-633 EZ pages are received in the County Office, if the FAX machine preprints the correct date and time, or the date is printed on an eForm submission, the date-stamp is **not** required.

**E Denying LDP Requests**

When the producer is denied LDP benefits, County Offices must proceed according to 8-LP, paragraph 1009.

**F Quantity Requested**

Eligible producers may request LDP quantities by:

- certifying the quantity
- providing verifiable quantity evidence.

**G Herd Characteristics**

County Offices must obtain the following herd characteristics from eligible producers requesting benefits and record the information in CCC-633 EZ, page 4, item 86:

- flock size
- date of shearing
- breed of animals in herd.

Producers **must** initial and date the information provided in CCC-633 EZ, page 4, item 86. Additional blank pages may be used to record additional information, as necessary.

## 401 Requests for LDP's (Continued)

**H Completing CCC-633 EZ Page 4 to Request LDP**

After a producer has submitted CCC-633 EZ, page 1 to receive LDP benefits for wool, mohair, or unshorn pelts according to 8-LP, subparagraph 1001 A, the producer **must** complete CCC-633 EZ, page 4 and submit it to the County Office where the farm records are maintained for the farm on whose production the LDP is requested. Producers who request an LDP benefit:

- and retain beneficial interest in the requested quantity, will receive an LDP based on the LDP rate in effect in the county where the commodity is stored on the date a completed CCC-633 EZ, page 4 is received in that County Office
- after beneficial interest is lost in the requested quantity, will receive an LDP based on the LDP rate in effect in the county where beneficial interest was lost

**Note:** CCC has the sole discretion for determining when beneficial interest is lost in the commodity as provided in subparagraph 403 C and 8- LP 227 G. Acceptable production evidence must be provided with CCC-633 EZ, page 4, if the producer no longer retains beneficial interest in the requested quantity.

- based on the date of delivery, will receive an LDP based on the LDP rate in effect in the county where the commodity was physically delivered on the date of delivery.

When production evidence is provided with CCC-633 EZ, page 4, LDP will **not** be subject to spot check. The source of the LDP quantity CCC-633 EZ, page 4, item 67 is:

- certified, subject to random spot check and producers are required to submit acceptable production evidence according to subparagraph 525
- production evidence, producers are required to submit acceptable production evidence according to subparagraph 525 with their LDP request
- quantity in excess of certified quantity, see subparagraph 404 E.

**402 FAXed LDP Applications****A Acceptable FAXed LDP Applications**

Properly signed and dated FAXed LDP application requests are considered completely filed when CCC-633 EZ is:

- correctly completed by the producer, including all producer signatures
- received in the County Office, as applicable.

**B Unacceptable FAXed LDP Applications**

FAXed LDP requests submitted on any form other than CCC-633 EZ are not acceptable.

**C Incorrect FAXed LDP Requests**

If CCC-633 EZ is not correctly completed by the producer according to paragraph 405, return the incomplete or invalid LDP request to the producer and explain the circumstances of the request denial. **If a request is disapproved for not providing information that is absolutely necessary to determine LDP**, the County Office **must** provide the producer with written notification that:

- the request did not contain adequate information to process the request
- a new LDP rate will be established based on the date a new acceptable CCC-633 EZ, page 2, is received in the County Office.

**Note:** Some quantities included on LDP requests that are disapproved **cannot** be requested for LDP or pledged as loan collateral, depending on the reason for the disapproval.

**402 FAXed LDP Applications (Continued)****D Signatures**

Original copies are not required if CCC-633 EZ is FAXed.

**E Applications Requested But Not Received**

If a producer inquires about a FAXed LDP application that was transmitted, and the application was not received in the County Office, the County Office must:

- require producer to submit documentation to verify the date and time of the FAXed transmission of CCC-633 EZ
- accept producer's completed LDP application
- document the date the LDP application was FAXed and the reason the FAX was not received
- use the LDP rate in effect on the date printed by the FAX machine on the original LDP request transmittal
- **not** accept or approve producer's LDP application unless the producer can provide verification of the actual FAXed date.

**403 LDP Rates****A Effective LDP Rate**

The LDP rate is the rate in effect on the date:

- of request, if beneficial interest is maintained on date of request
- beneficial interest is lost according to acceptable production evidence
- slaughtered, if slaughtered for personal use for unshorn pelts only.

The applicable LDP rate and amount will be calculated according to the following.

<b>IF CCC-633 EZ, page 4 is submitted as applicable and...</b>	<b>THEN LDP benefit is based on the requested quantity multiplied by the LDP rate in effect for the county where...</b>
the producer retains beneficial interest in the requested quantity	the commodity is stored on the date of the request.
beneficial interest has been lost in the requested quantity	beneficial interest was lost.

**B Request Date**

The request date is the date CCC-633 EZ, page 4 is received in the County Office when beneficial interest is maintained in the commodity. County Offices must date-stamp CCC-633 EZ, page 4 to verify the date the request is received.

**C Loss of Beneficial Interest Date**

The date beneficial interest is lost is the date the producer loses control of the commodity immediately upon shearing, through sale or delivery to a buyer, warehouse, process, wool pool, cooperative, or slaughter facility.

**Note:** Unshorn lambs for slaughter must be alive at time of delivery.

**403 LDP Rates (Continued)****D Slaughter Date**

For unshorn lamb pelts only, the slaughter date is the date the unshorn lamb is slaughtered for personal use. CCC-633 EZ, page 4 must be submitted to the County Office after slaughtering the unshorn lamb, but not later than the final availability date. If slaughter dates are within reason based on flock size, LDP rate is based on the date the producer certifies the unshorn lambs were slaughtered.

**E LDP Rate**

The LDP rate is determined by the amount the applicable commodity loan rate exceeds the CCC-determined value where:

- the commodity is stored, for LDP's in which the producer maintains beneficial interest
- beneficial interest is lost in the requested commodity, use the rate in effect until the next rate change.

**F CCC-Determined Value**

See Part 6, Section 5 for determining CCC-determined value.

**G Additional Provisions on LDP Rates**

See paragraph 403 for additional LDP rate provisions.



**404 LDP's for Mohair and Wool****A Types of LDP's**

LDP's are requested for any stored quantity the producer maintains beneficial interest in on the date of request and can be either:

- farm-stored quantities
- warehouse-stored quantities.

**B Requesting LDP's**

LDP's for wool, mohair, and unshorn pelts must be requested on CCC-633 EZ, page 4:

- after CCC-633 EZ, page 1 has been submitted for the applicable crop year
- before or after beneficial interest is lost.

**C Canceling LDP Requests**

LDP's requested on CCC-633 EZ, page 4 **cannot** be canceled at any time. Once the producer signs CCC-633 EZ, page 4, LDP is obligated to be paid by CCC to the producer.

**D Certifying Graded or Ungraded**

At the time a nonrecourse MAL or LDP request is submitted to the County Office, the producer must certify that they are requesting a graded or nongraded rate. Once the producer makes this certification and submits the LDP request to the County Office, the request **cannot** be changed.

**Note:** It is the producer's option to select graded or ungraded. However, if the producer certifies to graded wool, a copy of the core test report **must** be provided to the County Office before benefits will be disbursed.

## 404 LDP's for Mohair and Wool (Continued)

**E Additional Disbursements**

For certified LDP's **only**, an LDP disbursement in addition to the total quantity requested on CCC-633 EZ, page 4 may be available after delivery of the mohair or wool, when beneficial interest is lost, if the producer provides acceptable documentation in the form of a net weight receipt or settlement sheet to support the additional quantity sold or delivered.

The LDP rate for additional quantity, in excess of the certified quantity, will be based on the date the producer lost beneficial interest, if there was a rate on that date. Producers requesting additional disbursements on quantities exceeding the total quantity requested on the initial CCC-633 EZ, page 4 **must** submit documentation and request the additional disbursement on CCC-633 EZ, page 4, before the final availability date to receive the additional disbursement.

**Note:** The LDP rate in effect on the date beneficial interest is lost must be used for quantities in excess of the original certified quantity of wool or mohair.

Additional LDP disbursements will **not** apply to quantities over the total quantity requested when **not** requested by the producer before the final availability date.

**F Requesting Additional Disbursement for Excess Quantity**

To request additional LDP disbursement of a quantity in excess of the certified quantity, the producer must:

- have submitted CCC-633 EZ, page 1 for the current crop year before beneficial interest was lost
- have submitted CCC-633 EZ, page 4 for the original certified quantity
- submit another CCC-633 EZ, page 4 request for payment on the quantity in excess of the certified quantity
- indicate the commodity (wool or mohair) in CCC-633 EZ, page 4, item 64
- indicate the type of commodity (graded wool or ungraded wool) in CCC-633 EZ, page 4, item 65
- indicate the net quantity in excess of the original certified quantity being requested in CCC-633 EZ, page 4, item 66
- select quantity in excess of the certified quantity as the source of the quantity in CCC-633 EZ, page 4, item 67C

**404 LDP's for Mohair and Wool (Continued)****F Requesting Additional Disbursement for Excess Quantity (Continued)**

- enter in CCC-633 EZ, page 4, item 68 where the quantity was delivered or stored
- enter the date beneficial interest was lost in the additional quantity in CCC-633 EZ, page 4, item 69
- provide production evidence to substantiate a request for an additional quantity in excess of the certified quantity
- sign, date, and indicate share percentage in the net quantity in excess of the certified quantity in CCC-633 EZ, page 4, items 79 through 81
- submit the completed request and provide all supporting documentation by the corresponding final availability date.

**G Completing Additional Disbursement Requests**

When completed LDP requests are received from a producer for a disbursement on an additional quantity in excess of the original certified quantity, County Offices must:

- locate the producers original request for the certified quantity on file in the County Office
- locate the original transaction record for the certified quantity in the LDP system
- verify that the production evidence substantiates the original certified quantity and the additional quantity in excess of the certified quantity
- attach a date-stamped photocopy of the final production evidence to the original CCC633 EZ, page 1, and all CCC-633 EZ, page 4 requests for the certified quantity
- verify that the date entered in CCC-633 EZ, page 4, item 69 is the date beneficial interest was lost for the additional quantity
- enter the LDP rate for the date beneficial interest was lost
- process the request for the disbursement on the additional quantity in excess of the original certified quantity through LDP by as a new LDP request according to 19-PS.

## 405 Completing CCC-633 EZ

## A Page 1

Complete CCC-633 EZ, page 1, according to the following.

Item	Instructions
1	Enter name and address of the producer (individual, joint operation, or legal entity) for which benefits may be requested.
2	Enter telephone/cell number, including area code, of the producer.
3	Enter crop year for the commodities covered by CCC-633 EZ.
4	Enter States and the counties where the producer has an interest for the designated crop year.  <b>Note:</b> CCC-633 EZ covers interests in all eligible LDP commodities of the producer in item 1. The County Office that first receives page 1 must forward to other County Offices, as applicable, by FAX or mail.
<b>Part A – Terms and Conditions</b>	
All producers requesting LDP must review and understand the terms and conditions of this agreement.	
<b>Part B – Methods of Payment Request</b>	
All producers requesting LDP must review and understand the methods by which a payment request may be initiated under this agreement.	
<b>Note:</b> Page 2 <b>must</b> be received in the County Office <b>before</b> the final loan availability date for the applicable commodity.	
<b>Part C – Producer Signature and Certification</b>	
5 and 6	<p>After reading the certification statement, the producer must sign and date in items 5 and 6. The signature(s) indicate the producer has reviewed and agrees to the conditions listed. There will be 1 form per individual, joint operation, or entity. Multiple signature lines are provided for cases where multiple signatures are required to act for an operation or entity. If additional signature lines are needed, the producer must use CCC-633 EZ, page 5, Continuation, Part C.</p> <p>In item 6B, “Title/Relationship”, the signatory must enter their relationship authorizing them to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc.</p> <p><b>Example:</b> Treasurer of Smith Bros., Inc.</p> <p>If the applicant is <b>not</b> signing in the representative capacity, leave item 6B blank. If “SELF” is written to indicate the producer is signing on their own behalf, it is acceptable; however, <b>not</b> necessary.</p> <p><b>Note:</b> Generally, there will be one CCC-633 EZ page 1 per producer. Multiple signature lines are provided for cases where multiple signatures are required to act for the operation or legal entity. If additional signature lines are needed, the producer must use page 5, Part C.</p>

## 405 Completing CCC-633 EZ (Continued)

## A Page 1 (Continued)

Item	Instructions
<b>Part D – CCC Agreement (FSA Use Only)</b>	
7	Enter signature of authorized CCC representative.
8	Enter title of authorized CCC representative.
9	Enter date of CCC representative's signature.
10	Enter additional information pertinent to the approval or disapproval of agreement.
11	Enter name and address of the County FSA Office, LSA, or DMA receiving and signing the original page 1. The County Office may enter their assigned State and county code in place of their name and address.

**Note:** CCC-633 EZ, page 2 **must** accompany all requests for payment. If additional information is needed to determine eligible producer, net quantity, and payment rate, then the request will not be paid until evidence is provided.

## B Page 2

Complete CCC-633 EZ, page 2, according to the following.

Item	Instructions
<b>Part E – Request for LDP</b>	
12	Enter producer's name and address, including ZIP Code.  <b>Note:</b> This should be the same as in item 1.
13	Enter phone number, including area code, of producer in item 12 (optional).
14	Enter crop year for which LDP is requested.
15	Enter State and county where the farm records are maintained.
16	Check (✓) either "Yes" or "No" to the question, "Are you or any co-applicant delinquent on any Federal Non-tax debt?" If "Yes" is checked, explain in item 34.
17	<b>For FSA use only.</b> Enter processing system-assigned LDP number.
18	Enter commodity for which LDP is requested along with the class, variety, or type, as applicable.
19	Enter net quantity and unit of measure requested for this payment.  <b>Note:</b> User may enter "All" if the producer selects the "date of delivery" option or a measured LDP.

## 405 Completing CCC-633 EZ (Continued)

## B Page 2 (Continued)

Item	Instructions
<b>Part E – Request for LDP (Continued)</b>	
20	<p>Check (✓) the box from the following that corresponds with the source of the quantity in item 20:</p> <ul style="list-style-type: none"> <li>• “A”, “Certified”, if no acceptable production and/or sales evidence is provided at the time of payment request</li> </ul> <p><b>Note:</b> Certified quantities are subject to spot check and CCC may require production evidence to support the certification.</p> <ul style="list-style-type: none"> <li>• “B”, “Measurement Service”, if measurement service is requested to determine quantity</li> </ul> <p><b>Note:</b> The servicing County Office will initiate a measurement service at the location described in item 22. By requesting measurement service, the applicant agrees the quantity determined by measurement service will be the maximum quantity eligible for LDP and the request for payment is irrevocable.</p> <ul style="list-style-type: none"> <li>• “C”, “Production Evidence”, if request for payment is accompanied by production and/or sales evidence.</li> </ul> <p><b>Note:</b> When acceptable production and/or sales evidence is provided at the time of payment request, no additional documentation will be required.</p>
21	<p>Enter:</p> <ul style="list-style-type: none"> <li>• State, if necessary, and county where the quantity in item 20 is stored</li> <li>• location within the same county where the commodity is stored.</li> </ul> <p><b>Example:</b> Bin number, legal description, and/or land description; enter the warehouse name if commodity is warehouse-stored.</p> <p>A separate LDP request must be completed for quantities stored in a different county.</p>
22A and 22B	<p>Enter date of this request, date beneficial interest was lost, or the date of delivery. If a request has multiple dates (such as date of feeding or sale) and production evidence or schedule/ledger that is provided shows when beneficial interest is lost, this item can be left blank. <b>If</b> page 2 is filed before delivery and the producer wants to use the “date of delivery” option, Box “B” <b>must</b> be checked.</p>

## 405 Completing CCC-633 EZ (Continued)

## B Page 2 (Continued)

Item	Instructions
<b>Part E – Request for LDP (Continued)</b>	
23	<b>For FSA use only.</b> Enter LDP rate in effect according to the applicable date as provided in item 23. For multiple dates of delivery, enter “ <b>See Attached Production Evidence</b> ”.
<b>Part F – Producer Certification</b>	
24 through 29	<p>After reading the certification statement, the producer must sign, enter share percentage of the LDP quantity, and date in items 24A, 25, and 26. The signatures indicate the producer has reviewed and agrees to the conditions listed. There will be one CCC-633 EZ per producer. Multiple signature lines are provided for cases where multiple signatures are required to act for an operation or entity. If additional signature lines are needed, the producer must use page 5, Part F. The approval date will be the date all required signatures are in the County Office.</p> <p>In item 24B, “Title/Relationship”, the signatory must enter their relationship authorizing them to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc.</p> <p><b>Example:</b> Treasurer of Smith Bros., Inc.</p> <p>If the applicant is <b>not</b> signing in the representative capacity, leave item 25B blank. If “<b>SELF</b>” is written to indicate the producer is signing on their own behalf, it is acceptable; however, <b>not</b> necessary.</p> <p>If beneficial interest has <b>not</b> been lost, the effective LDP rate will be based on the time and date a properly completed request for payment is received in the FSA County Office.</p>
<b>Part G – CCC Approval</b>	
30	Enter signature of authorized CCC representative.
31	Enter title of authorized CCC representative.
32	Enter date of CCC representative’s approval.
33	FSA office will check (ü) either “Approved” or “Disapproved”.
34	Enter any additional information pertinent to the approval or disapproval of this payment request. Second party review initials are required.
35-61	Part H through L apply to Cotton Only

## 405 Completing CCC-633 EZ (Continued)

## B Page 2 (Continued)

<b>Part M – Request for Wool, Mohair, Or Unshorn Pelt LDP</b>	
62	Enter producer's name and address, including ZIP Code.
63	Enter phone number, including area code, of producer in item 12 (optional).
64	Enter crop year for which LDP is requested.
65	Check (✓) either "Yes" or "No" to the question, "Are you or any co-applicant delinquent on any Federal Non-tax debt?" If "Yes" is checked, explain in item 34.
66	Enter State and County where Farm Records are maintained
<b>Part N –Instructions for Wool, and Mohair</b>	
67	<b>For FSA use only.</b> Enter processing system-assigned LDP number.
68 through 69	Enter commodity for which LDP is requested along with type, graded or ungraded
70	Enter net quantity (lbs.)
71	Enter source of quantity certified, production evidence, or quantity in excess of certified quantity
72	Enter the stored location (State, County, Warehouse, or Farm Stored)
73	Enter effective date of this LDP request, or date beneficial interest was lost.
74	<b>For FSA use only.</b> Enter LDP rate in effect according to the applicable date as provided in item 73.
<b>Part O –Instructions for Unshorn Pelts</b>	
75	<b>For FSA use only.</b> Enter processing system-assigned LDP number.
76	Enter number of unshorn lambs
77	Check (✓) the appropriate use of unshorn pelt: A. Immediate Slaughter B. Slaughter for Personal Use C. Preserved and Stored D. Sold as Feeders to Lamb Buyer
78	Enter the stored location (State, County, Warehouse, or Farm Stored)
79	Check (✓) the appropriate Source of Quantity: A. Certified B. Production Evidence
80	Enter current size or herd/flock
81	Enter effective date of this LDP request, or date beneficial interest was lost.
82	<b>For FSA use only.</b> Enter LDP rate in effect according to the applicable date as provided in item 81.



## 405 Completing CCC-633 EZ (Continued)

## B Page 2 (Continued)

<b>Part P –633EZ Continuation</b>	
83A through 88	<p>After reading the certification statement, the producer must sign, enter share percentage of the LDP quantity, and date in items 83A, 84, and 85. The signatures indicate the producer has reviewed and agrees to the conditions listed. There will be one CCC-633 EZ per producer. Multiple signature lines are provided for cases where multiple signatures are required to act for an operation or entity. The approval date will be the date all required signatures are in the County Office.</p> <p>In item 83B, “Title/Relationship”, the signatory must enter their relationship authorizing them to sign on behalf of the producer; for example, power of attorney, position in the company, spouse, etc.</p> <p><b>Example:</b> Treasurer of Smith Bros., Inc.</p> <p>If the applicant is <b>not</b> signing in the representative capacity, leave item 25B blank. If “<b>SELF</b>” is written to indicate the producer is signing on their own behalf, it is acceptable; however, <b>not</b> necessary.</p> <p>If beneficial interest has <b>not</b> been lost, the effective LDP rate will be based on the time and date a properly completed request for payment is received in the FSA County Office.</p>
<b>Part Q- CCC Approval (FSA Use Only)</b>	
89A	Enter signature of authorized CCC representative.
89B	Enter title of authorized CCC representative.
90	Enter date of CCC representative’s approval.
91	FSA office will check (ü) either “Approved” or “Disapproved”.
92	FSA office will check if the quantity for this LDP is reasonable (ü) either “Yes” or “No”.
93	Enter any additional information pertinent to the approval or disapproval of this payment request. Second party review initials are required.

## 405 Completing CCC-633 EZ (Continued)

## C Example of CCC-633 EZ

The following is an example of CCC-633 EZ.

This form is available electronically.		Page _____ of _____	
<b>CCC-633 EZ</b> (05-21-19)		<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation	
<b>LOAN DEFICIENCY PAYMENT (LDP) AGREEMENT AND REQUEST</b>		1. Name and Address of Producer (Include ZIP Code) (Please Print)	
All eligible producers entering into this agreement MUST meet marketing assistance loan eligibility and have beneficial interest in the quantities covered by this agreement for the applicable crop year when signing this form. A producer is considered to have beneficial interest in the specified quantities if the producer has ALL of the following:		2. Telephone or Cell Number (Include Area Code)	
• Title to the commodity • Control of the commodity		3. Crop Year	
File this form <b>BEFORE</b> loss of beneficial interest (title and control) to indicate your intentions to receive Loan Deficiency Payment (LDP) benefits for this crop year for all counties and all eligible harvested, sheared, or slaughtered commodities for the individual, joint operation, or entity identified in item 1. The CCC-633 EZ - LDP Request (Page 2), Cotton LDP Request (Page 3), or Request for Wool, Mohair, or Unshorn Pelt LDP (Page 4) must be completed <b>BEFORE</b> the final loan/LDP availability date to receive LDP benefits.		4. State(s) and County(s)	
<b>PART A TERMS AND CONDITIONS</b>			
• The LDP rate will be based on the earlier of: a) the date beneficial interest is lost as applicable to specific commodity provisions; or b) the LDP request date as submitted on the CCC-633 EZ (Page 2) Part E, or CCC-633 EZ (Page 4) for wool, mohair, and unshorn pelts. For cotton LDPs requested on CCC-633 EZ Cotton (Page 3), the LDP rate will be based on the information provided on Page 3. • Quantities covered by this agreement were produced by the producer and not purchased or acquired directly or indirectly from any other source or committed under a marketing agreement to a Cooperative Marketing Association (CMA). • As a condition of receiving an LDP, a producer (or members of a CMA) must first resolve delinquent federal non-tax debt(s). The debt(s) must be resolved before the final loan/LDP availability date. • CCC may request copies of contracts and supplemental documentation to determine eligible quantity and when beneficial interest was lost. • If a Marketing Assistance Loan (MAL) is disbursed for a quantity covered by this agreement and the MAL is repaid at a price less than principal and interest, this agreement becomes null and void for that specific quantity. • All producers with an interest in the quantity covered by this agreement must sign a CCC-633 EZ Part C, to obtain LDP benefits.			
<b>PART B METHOD OF PAYMENT REQUEST (request must be submitted by final loan/LDP availability date.)</b>			
• For quantities represented by verifiable production evidence under this agreement, submission of evidence in combination with Part E, Part N, or Part O of this form as applicable shall be considered a request for payment. Evidence must include sufficient data to determine producer and commodity eligibility and LDP rate. • For quantities for which verifiable evidence is unavailable (i.e., certified quantities, fed quantities, quantities used for seed,ilage, etc.), the request for payment shall be initiated by recording a certification of quantity on Part E, Part N, or Part O of this form as applicable. Additional information may be requested by CCC to determine producer and commodity eligibility and LDP rate. • Submission of an eLDP shall be a request for payment. The CCC-633 EZ Part E is not required for that specific quantity. • For Cotton Producers Only: Producer agrees: a) any request for a module lock-in or post-ginning LDP is irrevocable and cannot be cancelled or revised unless the LDP is denied due to AGI; b) any request for a gin-direct LDP is irrevocable on or after the date of ginning; c) entry of information on Page 3 of this application constitutes an irrevocable application for the Adjusted World Price (AWP) to be locked in on the date an accurately completed application is submitted for an LDP based on gin-provided documentation identifying the bales produced from the module/storage unit for which the AWP lock-in applies.			
<b>PART C PRODUCER SIGNATURE AND CERTIFICATION (For additional signatures, complete CCC 633 EZ Continuation, Part C)</b>			
I/we certify all information entered on this form is true and correct. By certifying to the terms and conditions in Part A, the producer(s) hereby enters into this agreement with CCC for all eligible commodities. The producer(s) agrees: 1) any false claim or false statement may lead to civil liability or criminal prosecution; 2) LDP's may be selected for spot-check and the producer will be required to provide supplemental documents to determine program eligibility; 3) to forgo a commodity loan on the quantity requested for LDP unless a quantity is denied LDP due to payment limitation; 4) not to refund any LDP amount in order to obtain a commodity loan; 5) this agreement and subsequent payment request is subject to CCC determination of producer and commodity eligibility subject to 7 CFR Parts 1421, 1425, 1427 and 1434; 6) that CCC shall require refund of LDP, plus interest, from the date of payment if producer(s) and/or commodity is later determined ineligible by CCC; 7) CCC shall assess administrative penalties and/or liquidated damages in accordance with 7 CFR Parts 1421, 1425, 1427 or 1434, as applicable, if producer(s) misrepresents the eligible quantity and/or commodity covered by this agreement; 8) the maximum eligible quantity and yield determinations must equal the quantity and yield determinations for disaster or crop insurance indemnity payments, when and if applicable; and 9) to submit the applicable CCC-633 EZ, Page 2, Page 3, Page 4 or an eLDP online request before obtaining LDP amounts.			
5A. Producer's Signature (BY)	5B. Title/Relationship (Individual Signing in a representative capacity)	5C. Date (MM-DD-YYYY)	5A. Producer's Signature (BY)
			5B. Title/Relationship (Individual Signing in a representative capacity)
			5C. Date (MM-DD-YYYY)
<b>PART D CCC AGREEMENT (FOR CCC USE ONLY)</b>			
7. Signature of CCC Representative		9. Date (MM-DD-YYYY)	10. Additional Information
8. Title of CCC Representative			11. Name and Address of County FSA Office or LSA or DMA
<b>NOTE:</b> 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 1421, 7 CFR Part 1425, 7 CFR Part 1427, 7 CFR Part 1434, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246) as amended by the American Taxpayer Relief Act of 2012, and the Agriculture Improvement Act of 2018 (Pub. L. 115-79). The information will be used to determine eligibility for loan deficiency payment program benefits. 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/USDA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for loan deficiency payment program benefits.			
<b>Paperwork Reduction Act (PRA) Statement:</b> The information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. <b>RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</b>			
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 <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> 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) 632-6892. 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) 890-7442; or (3) email: <a href="mailto:usda.ascr@usda.gov">usda.ascr@usda.gov</a> . USDA is an equal opportunity provider, employer, and lender.			

## 405 Completing CCC-633 EZ (Continued)

## C Example of CCC-633 EZ (Continued)

CCC-633 EZ (05-21-19)								Page      of	
<b>PART E REQUEST FOR LDP</b>									
12. Contact Name and Address of Producer (Include Zip Code) (Please Print)				13. Telephone or Cell Number (Include Area Code) (Optional)		14. Crop Year		16. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 34.  <div style="text-align: center;"> <input type="checkbox"/> YES      <input type="checkbox"/> NO </div>	
				15. State and County where Farm Records are Maintained					
<p>A completed CCC-633 EZ, Page 1 must be on file before beneficial interest (title and control) is lost in the requested quantity for this to be considered a valid request for payment. This request for payment, with acceptable production evidence (if applicable), must be submitted to the County FSA office that administers the farm records for the requested commodity and quantity.</p> <p>Complete Items 18 through 22 and sign/date below. Indicate in Item 20 if this is a certified LDP, request for measurement service, or indicate production evidence is attached, as applicable. When beneficial interest has been lost, indicate date of sale, fed, used for seed, etc, as applicable, in Item 22. If additional entries are needed, provide data on an additional CCC-633 EZ, Page 2.</p>									
17. LDP No. (CCC Use Only)	18. Commodity Class, Variety, Type	19. Net Quantity Requested and Unit of Measure (bu., tons, cwt., lbs., etc.)	20. Source of Quantity (Check one of the following)			21. Stored or Delivery Location, if applicable (State, County, Warehouse, or Bin Site)	22. Effective Date of LDP Rate (MM-DD-YYYY)		23. LDP Rate (CCC Use Only)
			A. Certified	B. Measure- ment Service	C. Production Evidence	Examples: Warehouse-Stored: Ohio, Athens Co., ABC Warehouse Farm-Stored: Texas, Webb Co., 30' Butler Bin, North of House	A. Date of LDP Request or Date Beneficial Interest Was Lost	B. Check to Request Date of Delivery	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
<p>* If measurement service is requested, I agree to pay the required fee(s) and agree this request is irrevocable. The quantity determined by measurement service will be the maximum quantity eligible at the time of this request. Producer must enter in Item 19, a specific quantity or "ALL" for this LDP application to be valid.</p>									
<b>PART F PRODUCER CERTIFICATION (For additional signatures, complete CCC 633 EZ Continuation, Part F)</b>									
<p>I certify all information entered on this form is true and correct. By completing Part E and signing and dating this form, I hereby make a request for payment from the Commodity Credit Corporation (CCC) for the commodity described above under the terms and conditions as provided on the CCC-633 EZ, Loan Deficiency Payment (LDP) Agreement and Request. I also understand that a CCC-633 EZ, Page 1 MUST be on file at the FSA County Office for this LDP request to be considered complete.</p>									
24A. Producer's Signature (By)	24B. Title/Relationship (Individual Signing in a Representative Capacity)	25. Share %	26. Date (MM-DD-YYYY)	27A. Producer's Signature (By)	27B. Title/Relationship (Individual Signing in a Representative Capacity)	28. Share %	29. Date (MM-DD-YYYY)		
<b>PART G CCC APPROVAL (FOR CCC USE ONLY)</b>									
30. Signature of CCC Representative		31. Title of CCC Representative		32. Date (MM-DD-YYYY)		33. Action: <div style="text-align: center;"> <input type="checkbox"/> APPROVED  <input type="checkbox"/> DISAPPROVED </div>		34. Additional Information/Second Party Review	

Page 2

## 405 Completing CCC-633 EZ (Continued)

## C Example of CCC-633 EZ (Continued)

CCC-633 EZ (05-21-19)										Page	of		
<b>PART H REQUEST FOR COTTON LDP</b>													
35. Contact Name and Address of Producer (Include Zip Code) (Please Print)				36. Telephone or Cell Number (Include Area Code) (Optional)		37. Farm Number		38. Crop Year		39. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in item 56.  <div style="text-align: center;"><input type="checkbox"/> YES      <input type="checkbox"/> NO</div>			
40. Producer Initials to verify LDP type and bale quantity		Type of LDP Requested	Must be Requested	Must have Beneficial Interest at Time of LDP Application?	The LDP Rate will be the rate in effect on the:		41. Quantity: (Use Part K for file sequence number(s))						
		Irrevocable Module Lock-In	After Harvest, Before Ginning	YES	Date an Accurately Completed Request is Submitted. ▶		Identified by gin as being produced from the module(s) listed in Part I and identified by bale list or file sequence number(s).						
		Gin-Direct	Before Date of Ginning	YES	Date of Ginning ▶		GIN DIRECT ONLY: For each farm number producer enters number of bales or "ALL" to be identified by bale list or file sequence number.						
							A. FARM NO.	B. NO. BALES	A. FARM NO.	B. NO. BALES			
		Irrevocable Post-Ginning	After Ginning	YES	Later of: 1) date of request or 2) date bale list submitted ▶		C. Producer enters bale quantity (to be verified by bale list or file sequence number):						
		Lost Beneficial Interest	After Ginning	NO	Date Beneficial Interest Lost ▶		D. Producer enters bale quantity (to be verified by bale list or file sequence number):						
<b>PART I MODULE IDENTIFICATION OF SEED COTTON (Completed for Module Lock In LDP Request)</b>													
42. Gin Code:						43. Module Location at Farm or Gin:							
44. Gin's Module/Trailer Number:													
<b>PART J PRODUCER CERTIFICATION (For additional signatures, complete CCC 633 EZ Continuation, Part J)</b>													
I certify all information entered on this form is true and correct.													
45A. Producer's Signature (By)		45B. Title/Relationship (Individual Signing as a Representative Capacity)		46. Share %		47. Date (MM-DD-YYYY)		48A. Producer's Signature (By)		48B. Title/Relationship (Individual Signing as a Representative Capacity)			
<b>PART K INFORMATION FOR LDP REQUEST (Complete Upon Receipt of Bale Data Files) (FOR CCC USE ONLY)</b>													
51. LDP Number				52. File Sequence Number(s)				53. Date File(s) Received (MM-DD-YYYY)				54. Bale Count	
<b>PART L CCC APPROVAL (FOR CCC USE ONLY)</b>													
55A. Signature of CCC Representative				55B. Title of CCC Representative				56. Date Request Submitted (MM-DD-YYYY)		57. Name and Address of FSA County Office or LSA		58. Additional Information/Second Party Review	
59. Action: <div style="text-align: center;"><input type="checkbox"/> APPROVED    <input type="checkbox"/> DISAPPROVED</div>				60. Date of Signature by CCC Representative (MM-DD-YYYY)				61. AWP on Applicable Date					

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## 405 Completing CCC-633 EZ (Continued)

## C Example of CCC-633 EZ (Continued)

CCC-633 EZ (05-21-19)										Page	of
<b>PART M REQUEST FOR WOOL, MOHAIR, OR UNSHORN PELT LDP</b>											
62. Contact Name and Address of Producer (Include Zip Code) (Please Print)						63. Telephone or Cell Number (Include Area Code)		64. Crop Year		65. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 93.  <input type="checkbox"/> YES <input type="checkbox"/> NO	
						66. State and County where Farm Records are Maintained					
<p>A completed CCC-633 EZ (Page 1) must be on file for the crop year identified in Item 64 before beneficial interest (title and control) is lost in the requested quantity for this to be considered a valid request for payment. This request for payment, with acceptable production evidence (if applicable), must be submitted to the County FSA office that administers the farm records for the requested commodity and quantity.</p> <p>Complete Items 68 through 73 for wool and mohair or Items 76 through 81 for unshorn lamb pelts and sign/date below. Indicate the source of quantity in Items 71 or 79 if this is a certified LDP; indicate for wool or mohair only if the quantity is in excess of the certified quantity, or indicate if production evidence is attached, as applicable. When beneficial interest has been lost, indicate date of sale, delivery, slaughter, etc., as applicable, as the effective date of LDP rate in Items 74 or 82. If additional entries are needed, provide data on an additional CCC-633 EZ, Page 4.</p>											
<b>PART N COMPLETED FOR WOOL OR MOHAIR</b>											
67. LDP No. (CCC Use Only)	68. Commodity	69. Type		70. Net Quantity (lbs.)	71. Source of Quantity (Check one of the following)			72. Stored Location (State, County, Warehouse, Farm Storage Location)	73. Effective Date of LDP Rate (Date of Request or Date Beneficial Interest was Lost) (MM-DD-YYYY)	74. LDP Rate (CCC Use Only)	
					A. Certified	B. Production Evidence	C. Qty. in Excess of Certified Qty.				
	Mohair <input type="checkbox"/>	<input type="checkbox"/>	Graded <input type="checkbox"/> Ungraded <input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Wool <input type="checkbox"/>	<input type="checkbox"/>	Graded <input type="checkbox"/> Ungraded <input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Mohair <input type="checkbox"/>	<input type="checkbox"/>	Graded <input type="checkbox"/> Ungraded <input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Wool <input type="checkbox"/>	<input type="checkbox"/>	Graded <input type="checkbox"/> Ungraded <input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Mohair <input type="checkbox"/>	<input type="checkbox"/>	Graded <input type="checkbox"/> Ungraded <input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
	Wool <input type="checkbox"/>	<input type="checkbox"/>	Graded <input type="checkbox"/> Ungraded <input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
<b>PART O COMPLETED FOR UNSHORN LAMB PELTS</b>											
75. LDP No. (CCC Use Only)	76. Number of Unshorn Lamb Pelts Requested	77. Use				78. Stored Location (If applicable) (State, County, Warehouse, Farm Storage Location)	79. Source of Quantity (Check one of the following)		80. Current Herd/Flock Size	81. Effective Date of LDP Rate (Date of Request or Date Beneficial Interest was Lost) (MM-DD-YYYY)	82. LDP Rate (CCC Use Only)
		A. Immediate Slaughter	B. Slaughter for Personal Use	C. Preserved and Stored	D. Sold as Feeders to Lamb Buyer		A. Certified	B. Production Evidence			
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
<b>PART P 633 EZ Continuation, Part P)</b>											
<p>I certify all information entered on this form is true and correct and that the commodity was owned/retained for at least 30 days before the date of shearing or slaughter for unshorn lambs. By completing Part N for wool and mohair or Part O for unshorn lamb pelts and signing and dating this form, I hereby make a request for a payment from Commodity Credit Corporation (CCC) for the commodity described above under the terms and conditions as provided on the CCC-633 EZ, Loan Deficiency Payment (LDP) Agreement and Request. I also understand that a CCC-633 EZ, Page 1 MUST be on file at the FSA County Office for this LDP request to be considered complete.</p>											
83A. Producer's Signature (By)		83B. Title/Relationship (Individual Signing in a Representative Capacity)		84. Share %	85. Date (MM-DD-YYYY)	86A. Producer's Signature (By)		86B. Title/Relationship (Individual Signing in a Representative Capacity)		87. Share%	88. Date (MM-DD-YYYY)
<b>PART Q CCC APPROVAL (FOR CCC USE ONLY)</b>											
89A. Signature of CCC Representative		89B. Title of CCC Representative		90. Date (MM-DD-YYYY)		91. Action: <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED		92. Is the quantity for this LDP reasonable? <input type="checkbox"/> YES <input type="checkbox"/> NO		93. Additional Information/Second Party Review	

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405 Completing CCC-633 EZ (Continued)

C Example of CCC-633 EZ (Continued)

CCC-633 EZ Continuation (05-21-19)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		Page <span style="float: right;">of</span>	
<b>CONTINUATION SHEET FOR LOAN DEFICIENCY (LDP) PAYMENT AGREEMENT AND REQUEST</b> (Use with CCC-633 EZ Pages 1, 2, 3, or 4)					
Attach to Form CCC-633 EZ, Page No: _____					
<i>Enter a Check by the Appropriate Part to Indicate which Section this Form Applies.</i>					
<input type="checkbox"/> <b>PART C PRODUCER CERTIFICATION (CCC 633 EZ Page 1) (Continuation)</b>					
5A. Producer's Signature (By)	5B. Title/Relationship (Individual Signing in a representative capacity)	5C. Date (MM-DD-YYYY)	5A. Producer's Signature (By)	5B. Title/Relationship (Individual Signing in a representative capacity)	5C. Date (MM-DD-YYYY)
<input type="checkbox"/> <b>PART F 633 EZ Page 2) (Continuation for LDP Request)</b>					
24A. Producer's Signature (By)	24B. Title/Relationship (Individual Signing in a representative capacity)	25. Share %	26. Date (MM-DD-YYYY)	24A. Producer's Signature (By)	24B. Title/Relationship (Individual Signing in a representative capacity)
<input type="checkbox"/> <b>PART J PRODUCER CERTIFICATION (CCC 633 EZ Page 3) (Continuation for Cotton LDP Request)</b>					
45A. Producer's Signature (By)	45B. Title/Relationship (Individual Signing in a representative capacity)	46. Share %	47. Date (MM-DD-YYYY)	45A. Producer's Signature (By)	45B. Title/Relationship (Individual Signing in a representative capacity)
<input type="checkbox"/> <b>PART P Page 4) (Continuation for Wool, Mohair, or Unshorn Pelt LDP Request)</b>					
83A. Producer's Signature (By)	83B. Title/Relationship (Individual Signing in a representative capacity)	84. Share %	85. Date (MM-DD-YYYY)	83A. Producer's Signature (By)	83B. Title/Relationship (Individual Signing in a representative capacity)

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**406 Unshorn Pelt LDP Provisions****A General**

Ungraded wool in the form of unshorn pelts that meet eligibility requirements according to subparagraph 220 D, are only eligible for LDP.

**B Unshorn Pelt Definition**

An unshorn pelt is the removed skin and attached wool from a slaughtered lamb that has never been shorn.

**C Requesting LDP's for Unshorn Pelts**

LDP's for unshorn pelts must be requested:

- according to paragraph 401
- on CCC-633 EZ, page 1 and page 4, Part O.

**D Unshorn Pelt Eligibility Clarification**

To be eligible for LDP on unshorn pelts, the producer must either:

- sell the unshorn lambs for immediate slaughter according to subparagraph E
- slaughter the unshorn lamb for personal use according to subparagraph F
- retain the unshorn pelt according to subparagraph 408 D.

In addition, the producer must provide acceptable production evidence to the County Office by the final availability date to be eligible for payment. The production evidence provided by the producer must indicate that the lambs are unshorn.

**406 Unshorn Pelt LDP Provisions (Continued)**

**E Immediate Slaughter**

Immediate slaughter is considered slaughter of the lamb within a 10-calendar-day period after loss of beneficial interest.

**F Personal Use**

Personal use is considered slaughter of the unshorn lamb for use of the pelt as any of the following:

- clothing
- shelter
- pet beds
- mittens
- rugs
- automobile seat covers
- sheepskin footwear
- sheepskin coats
- other personal uses determined acceptable by COC.



**407 LDP Rates for Unshorn Pelts****A Unshorn Pelt LDP Rate**

The LDP rate is determined by the amount the ungraded wool loan rate exceeds the CCC-determined value where:

- the unshorn pelts are stored, for LDP's in which producer maintains beneficial interest
- beneficial interest is lost in the requested commodity.

See Part 6, Section 5 for determining the CCC-determined value.

**B Calculating LDP's for Unshorn Pelts**

LDP is calculated by multiplying the LDP rate times the LDP quantity of unshorn pelts requested.

See paragraph 403 to determine the applicable dates of effective LDP rates.

**C Standard Weight**

LDP's for unshorn pelts will be based on a standard weight of 6.865 pounds per pelt.

**D Unshorn Pelt Computation**

LDP for unshorn lamb pelts will be calculated by multiplying the effective LDP rate by the standard weight for an unshorn pelt of 6.865 pounds. The result of that computation is then multiplied by the quantity of unshorn pelts.

<b>Example:</b>	Effective LDP rate	\$0.29
	Standard weight	<u>x 6.865</u>
	Payment per pelt	\$1.99
	Payment per unshorn pelt	\$1.99
	Quantity of unshorn pelts	<u>x 10</u>
	Payment	\$19.90

**E Announcing Posted Prices**

The national posted prices for nongraded (greasy) wool that are used to calculate the CCC-determined value to determine the LDP rate for unshorn pelts will be announced according to subparagraph 15 C.

Posted prices for graded and ungraded wool and mohair are announced as national rates. Regional rates no longer apply.

**408 Additional Beneficial Interest Provisions for Unshorn Pelts****A Direct Sell to Lamb Slaughter Companies**

Eligible producers who sell unshorn lambs directly to a slaughter lamb company for immediate slaughter or have the unshorn lambs processed for meat will lose beneficial interest the earlier of the following:

- delivery to the slaughter lamb company
- receiving any payment for the unshorn lambs.

**Note:** This determination should be used as a general business rule and should not take precedence over the terms of a contract between the buyer and seller that would cause beneficial interest to be lost at an earlier time.

**B Lamb Auction Sells**

Eligible producers who sell unshorn lambs through an auction or sell to an order buyer representing a slaughter lamb company will lose beneficial interest the earlier of the following:

- invoicing of the unshorn lambs
- delivering the unshorn lambs to the order buyer
- receiving any payment for the unshorn lambs.

**Note:** This determination should be used as a general business rule and should not take precedence over the terms of a contract between the buyer and seller that would cause beneficial interest to be lost at an earlier time.

**C Butcher Sells**

Eligible producers who sell unshorn lambs directly to a butcher for immediate slaughter will lose beneficial interest the earlier of the following:

- invoicing of the unshorn lambs
- delivering the unshorn lambs to the butcher
- receiving any payment for the unshorn lambs.

**Note:** This determination should be used as a general business rule and should not take precedence over the terms of a contract between the buyer and seller that would cause beneficial interest to be lost at an earlier time.

**408 Additional Beneficial Interest Provisions for Unshorn Pelts (Continued)****D Retained Unshorn Pelts**

Producers who retain beneficial interest in an unshorn pelt produced from a slaughtered lamb may request LDP according to 8-LP, paragraph 1001, based on the date of request, if the unshorn pelt retained is:

- preserved
- maintained
- stored for future marketing or processing.

**Note:** See paragraph 501 for spot check provisions.

**E Unshorn Lambs Slaughtered for Personal Use**

Eligible producers who slaughter unshorn lambs for personal use will lose beneficial interest on the date the unshorn lamb is slaughtered. Producers must have a completed CCC-633 EZ, page 1, on file in the County Office for the applicable crop year before the unshorn lamb is slaughtered for personal use.

COC must determine reasonableness based on any of the following:

- herd certification on CCC-633 EZ, page 4, Part O, item 76
- production evidence
- feeding records and receipts
- normal business practices of the producer
- general COC knowledge.

If unshorn lambs slaughtered for personal use are determined to be with reason, the LDP rate is based on the date the producer certifies that the unshorn lambs were slaughtered.

**409-499 (Reserved)**



**Part 5 Compliance Provisions****Section 1 Spot Checking****500 Spot Checking Farm-Stored Loans****A Spot Check Policy for Farm-Stored Loans**

Farm-stored loans are subject to spot check:

- during and after the loan availability period
- for up to 9 months from date of disbursement.

County Offices will make onsite spot checks of outstanding farm-stored loans, if the producer is either of the following:

- selected through the national selection process
- added to the list of producers selected during the annual spot check reviews.

**B On-Farm Spot Check Process for Farm-Stored Loans**

Producers selected by the national selection process, and when the commodity is stored in approved farm storage, will be visually inspected by a County Office commodity inspector to:

- verify the commodity is in existence and in storable condition
- verify that the storage structure will safely store and protect the commodity from natural elements
- verify the commodity is stored in approved bags according to subparagraph 303 A
- verify the commodity is properly labeled according to subparagraph 303 B
- verify that CCC-683 is affixed to bags as required by subparagraph 303 B
- confirm that loan collateral is properly identified
- confirm that CCC's interest is adequately protected
- verify the quantity for reasonableness based on a maximum eligible quantity determination according to paragraph 528.

**500 Spot Checking Farm-Stored Loans (Continued)****B On-Farm Spot Check Process for Farm-Stored Loans (Continued)**

County Office commodity inspectors and COC may use their own discretion to determine a reasonable quantity based on various known conditions. When visual inspection indicates a significant quantity shortage or if there is reason to believe there is a quantity shortage, the County Office and COC may require the producer to provide acceptable production evidence by the earlier of the following:

- 15 calendar days after the commodity has been sold
- within 30 calendar days after notification by the County Office.

If the mohair or wool has been sold, request delivery, sales, or other types of production evidence to verify the quantity and delivery dates of loan repayments when market gain was earned.

If production evidence has not been submitted by the due date, the producer must do either of the following:

- at the expense of the producer, have the loan collateral weighed by a CCC-approved third party that provides acceptable documentation of the net quantity of the loan collateral in pounds
- refund the market gain.

If the loan is not repaid, review the loan for violation according to Part 4.

**Note:** If the producer refuses to permit entry:

- contact the State Office for guidance
- see 2-CP, paragraph 729.

**C Spot Check Process for Loan Collateral Stored With a Commissioned Agent**

In addition to subparagraph B, if the loan collateral is stored in the facility of a commissioned agent, arrange for the producer or a representative to be present at the storage facility during the spot check. The CCC representative may spot check the mohair or wool at any reasonable time.

**D Recording Spot Check Results**

Details to record spot check results will be provided at a later date.

**500 Spot Checking Farm-Stored Loans (Continued)****E Improperly Stored Loan Collateral**

If the mohair or wool is not properly labeled or stored in approved bags when a spot check is performed, give producers an opportunity to properly label the loan collateral and/or transfer the commodity into approved bags before continuing with the spot check.

Notify the producer that the loan collateral must be transferred into approved bags and properly labeled within 15 calendar days from notification and follow this table.

<b>IF the producer...</b>	<b>THEN...</b>
does <b>not</b> transfer the loan collateral into approved bags within 15 calendar days from notification	accelerate the loan maturity date according to 8-LP, Part 4.
does <b>not</b> properly label the loan collateral within 15 calendar days from notification	
properly labels and/or transfers the loan collateral into approved bags within 15 calendar days from notification	continue with spot check to verify all other eligibility.

Reject severely torn or damaged bags of the mohair or wool that may affect the storability and quality of the commodity.

Advise the producer that accepting mohair or wool for loan does not alleviate the responsibility of delivering acceptable mohair or wool in approved and properly labeled bags if the mohair or wool under loan is delivered to CCC.

**F Loans Delivered to CCC**

County Offices will spot check mohair or wool loans delivered to CCC according to Part 7 and 8-LP, paragraph 303.

**501 Spot Checking Certified LDP's****A Spot Check Policy for Certified LDP's**

LDP's are subject to spot check for up to 9 months from date of disbursement.

**B On-Farm Spot Check Process for Certified LDP's**

If a producer is selected through the national selection process or added by the County Office as an additional spot check, County Offices must spot check:

- **all** quantities certified for LDP
- LDP's when certain situations require spot checks, according to 8-LP, subparagraph 302 D.

Once a specific LDP has been selected for a spot check, that LDP is no longer subject to additional spot checks.

The County Office commodity inspector must verify the:

- commodity is in existence, if the commodity has not been sold
- herd characteristics (total number in herd, breed, etc.)

When visual inspection indicates a significant quantity shortage or if there is reason to believe there is a quantity shortage, the County Office and COC may require the producer to provide acceptable production evidence by the earlier of the following:

- 15 calendar days after the commodity has been sold
- 30 calendar days after notification by the County Office.

If the mohair or wool has **not** been sold and the County Office commodity inspector determines the quantity to:

- be reasonable based on the herd characteristics of quantity certified or LDP requested, then that will serve as final production evidence and no further documentation will be required
- **not** be reasonable based on the herd characteristics with the quantity certified under the LDP request, then at the expense of the producer, have the certified quantity weighed by a CCC-approved third party that provides acceptable documentation of the certified quantity in pounds.



**501 Spot Checking Certified LDP's (Continued)****B On-Farm Spot Check Process for Certified LDP's (Continued)**

If the mohair or wool has been sold, request delivery, sales, or other types of production evidence to verify the quantity and delivery dates of certified LDP's.

Require the producer to submit evidence on commodities sold within 15 calendar days from the date of request. If the production evidence has not been submitted by the due date and it is determined that a shortage or violation occurred, County Offices will continue to record the shortage or violation according to 19-PS.

**Note:** If the producer refuses to permit entry, contact the State Office for guidance.

**C Spot Check Process for Certified LDP's Stored With a Commissioned Agent**

If the production for a certified mohair or wool LDP is stored in the facility of a commissioned agent, require the producer to provide a scale ticket or weight certificate from the facility that verifies the quantity of the LDP request. This will serve as final production evidence and no further documentation will be required.

**D Recording Spot Check Results**

Information to record spot check results will be provided at a later time.

## 502 Spot Check Process

### A Contacting Producers

When a producer has been selected by the national selection process or has been added as an additional spot check, County Offices will:

- notify the contact producer by telephone or memorandum, as applicable
- inquire if the mohair or wool:
  - has been sold
  - is still at the farm-stored location.

### B Initiating Loans and LDP's Selected for Spot Check

Determine how to proceed with the spot check according to the following.

IF the mohair or wool...	THEN...
is still on the farm and a spot check has not been performed	<p>complete a farm visit according to paragraph 503. If the visual inspection reveals discrepancies in the certified quantity, request the producer to provide production evidence by the earlier of the following:</p> <ul style="list-style-type: none"> <li>• 15 calendar days after the commodity has been sold</li> <li>• 30 calendar days after notification by the County Office.</li> </ul> <p>If the visual inspection reveals no discrepancies in the certified quantity, no further production evidence is required.</p> <p>If production evidence has not been submitted by the due date the producer must refund the market gain or LDP amount.</p>

**502 Spot Check Process (Continued)****B Initiating Loans and LDP's Selected for Spot Check (Continued)**

<b>IF the mohair or wool...</b>	<b>THEN...</b>
has been previously spot checked and the producer requests to use the spot checked quantity for production evidence	no farm visit is required except for outstanding loans, as applicable.
has been sold	<p>request delivery, sales, or other types of production evidence to verify the quantity and delivery dates of:</p> <ul style="list-style-type: none"> <li>• certified LDP's</li> <li>• loan repayments when market gain was earned.</li> </ul> <p>Review the loan for a violation according to 8-LP, Part 4 if loan is not repaid.</p> <p>Determine maximum eligible quantity if necessary.</p>

**Note:** If unshorn lambs have been slaughtered for personal use in the case of unshorn pelts, request production evidence to the satisfaction of COC to verify the quantity of certified LDP's. Acceptable evidence includes, but is not limited to, feed records and receipts, normal business practices, and general COC knowledge.

Require the producer to submit evidence on mohair or wool sold within 15 calendar days from date of request and indicate the use of unshorn pelts.

**503 On-Farm Visits****A When to Complete On-Farm Visits**

Complete on-farm visits if the mohair or wool is still stored at the farm-storage location for:

- outstanding loans
- certified LDP's.

**Note:** If the mohair or wool is stored at the facility of a commissioned agent, proceed according to subparagraph 500 C, subparagraph 501 C, or both, and no visit is necessary. Commissioned agents may also be contacted by telephone to verify quantities.

**B Spot Check Process**

At the storage site, commodity inspectors will complete the spot check by visually inspecting the farm-stored quantities and performing maximum eligibility determinations for all loans and LDP's selected by the national selection process according to the following.

**Note:** Measurement service is not available.

Once a specific LDP has been selected for a spot check, that LDP is no longer subject to additional spot checks.

<b>Step</b>	<b>Process</b>	<b>Action</b>
1	Check CCC-683 for loans.	If applicable, replace CCC-683 if missing or incorrect loan data is shown. See 8-LP, Exhibit 16.
2	Inspect storage structure and determine commodity storability.	Annotate any structure, storability, or other noticeable problems on reverse side of applicable LDP request form.
3	Visually inspect all applicable structures that can be safely accessed, if not stored with a commissioned agent.	Complete the "Additional Information" section of applicable LDP request form with required information according to subparagraph 501 B for LDP's and subparagraph 500 B for loans.

**C Reducing On-Farm Visits for LDP's**

Excluding any references to providing measurement services to producers, County Offices will reduce on-farm visits for LDP's according to 8-LP, subparagraph 319 B.

**504 Commodity Inspector Spot Check Review**

**A County Office Responsibility**

See 8-LP, subparagraph 304 A for County Office spot check review responsibilities.

**B State Office Responsibility**

State Office representatives must annually spot check commodity inspectors' work in each County Office according to 8-LP, subparagraph 324 C.

**505 Completing Spot Check**

**A Reviewing Documentation**

Once the site visit is complete or production evidence is submitted, County Offices will:

- calculate the quantity provided on submitted documentation, as applicable
- review the documentation submitted to ensure that all production evidence requirements are met according to paragraph 525 and 8-LP, Part 3, Section 3.

**B Other Applicable Provisions**

See 8-LP, paragraph 317 for all other provisions applicable to completing spot checks.

## 506 Loan Quantity Determination and Action Required

### A Outstanding Loans and No Market Gain Was Earned

When a spot check reveals the quantity verified for reasonableness based on a maximum eligible quantity is less than the certified outstanding farm-stored loan quantity, take applicable action according to the following.

IF the spot check reveals...	THEN COC must...
no discrepancies in the certified quantity and no violation has occurred	<b>not</b> take any action.
discrepancies in the certified quantity	consider a violation has occurred <b>unless</b> supporting evidence is provided to account for the discrepancy. See 8-LP, Part 4 for notifying the producer of the violation.

### B Loans Repaid and Market Gain Was Earned

When a spot check reveals the quantity supported by **production evidence** is less than the quantity on which market gain was earned, take applicable action according to the following.

IF the quantity verified is...	THEN...
greater than the market gain quantity	<p>a new loan or LDP may be requested for any overage if the producer:</p> <ul style="list-style-type: none"> <li>• still has beneficial interest in the mohair or wool</li> <li>• provides production evidence to the County Office to support the overage by the final loan availability date.</li> </ul> <p>Additional market gain payments to the original loan disbursement are <b>not</b> available.</p>
<ul style="list-style-type: none"> <li>• based on production evidence</li> <li>• less than the quantity on which market gain was earned</li> <li>• within tolerance</li> </ul>	<p>using the notification letter in 8-LP, Exhibit 5 notify the producer that repayment of the unearned market gain is required.</p> <p>Good faith determinations are not necessary.</p>

## 506 Loan Quantity Determination and Action Required (Continued)

**B Loans Repaid and Market Gain Was Earned (Continued)**

IF the quantity verified is...	THEN...
<ul style="list-style-type: none"> <li>• based on production evidence</li> <li>• less than the market gain quantity amount</li> <li>• <b>not</b> within tolerance</li> </ul>	<p>COC will:</p> <ul style="list-style-type: none"> <li>• consider a discrepancy has occurred</li> <li>• review discrepancies to determine whether a violation has occurred according to 8-LP, Part 4.</li> </ul> <p>If the discrepancy is the result of a County Office error and the producer did not have reason to know a violation has occurred, the County Office will:</p> <ul style="list-style-type: none"> <li>• document the reasons why to the fullest extent possible in the COC minutes</li> <li>• proceed according to current LP and PS directives</li> <li>• not assess liquidated damages</li> <li>• demand the shortage, plus interest, as applicable</li> <li>• not make good faith determinations</li> <li>• complete FSA-321 according to 7-CP.</li> </ul> <p>For all other violations, COC must determine any of the following according to 8-LP, Part 4:</p> <ul style="list-style-type: none"> <li>• good faith</li> <li>• misrepresentation, scheme, or device.</li> </ul>

When spot check verifications are complete, notify producers and record results according to paragraph 500.

**507 LDP Quantity Determination and Action Required****A LDP Spot Checks**

Spot check verifications must be completed according to the following.

<b>IF the quantity verified is...</b>	<b>THEN...</b>
greater than the LDP quantity	a new LDP with a new LDP rate or new loan may be requested for any overage provided the producer still has beneficial interest in the commodity and it is before the final availability date.
determined reasonable and within tolerance and there is no reason to believe there is a quantity shortage	no action at this time is necessary if: <ul style="list-style-type: none"> <li>• commodity is still stored at the farm location</li> <li>• the quantity has not been sold</li> <li>• other production evidence has not been submitted.</li> </ul>
<b>not</b> determined reasonable and is <b>not</b> within tolerance or there is reason to believe there is a quantity shortage	require the producer to provide acceptable production evidence.
<ul style="list-style-type: none"> <li>• based on production evidence submitted</li> <li>• less than the LDP quantity</li> <li>• within tolerance</li> </ul>	<p>process the shortage in LDP according to 15-PS. Do <b>not</b> assess liquidated damages and but demand the shortage, as applicable, using the notification letter in 8-LP, Exhibit 5, subparagraph M.</p> <p>Good faith determinations are not necessary.</p>



**507 LDP Quantity Determination and Action Required (Continued)****A LDP Spot Checks (Continued)**

<b>IF the quantity verified is...</b>	<b>THEN...</b>
<ul style="list-style-type: none"> <li>• based on production evidence</li> <li>• less than the LDP quantity</li> <li>• not within tolerance</li> <li>• delivered on a date other than the delivery date certified</li> </ul>	<p>COC will:</p> <ul style="list-style-type: none"> <li>• consider a discrepancy has occurred</li> <li>• review discrepancies to determine whether a violation has occurred according to 8-LP, Part 4.</li> </ul> <p>If the discrepancy is the result of a County Office error and the producer did not have reason to know a violation has occurred, the County Office will:</p> <ul style="list-style-type: none"> <li>• document the reasons why to the fullest extent possible in the COC minutes</li> <li>• record the discrepancy as a shortage as determined by automation procedure</li> <li>• not assess liquidated damages</li> <li>• demand the shortage, plus interest, as applicable</li> <li>• not make good faith determinations</li> <li>• complete FSA-321 according to 7-CP.</li> </ul> <p>For all other violations, COC must determine any of the following according to 8-LP, Part 4:</p> <ul style="list-style-type: none"> <li>• good faith</li> <li>• misrepresentation, scheme, or device.</li> </ul>

When spot check verifications are complete, notify producers and record results according to paragraph 501.

**508-524 (Reserved)**



**Section 2 Production Evidence****525 Requirements****A Required Production Evidence**

Production evidence is **required** for loan quantity or LDP **selected for spot check** as follows:

- wool or mohair loan repaid at a rate less than principal, plus interest under the marketing loan provisions and only for the quantity repaid on which the producer earned a market gain
- certified LDP's.

**B Production Evidence Not Required**

Production evidence is **not** required for any loan or LDP that is not selected for spot check.

Outstanding loans repaid under the CCC-681-1 provisions are not subject to spot check if delivery or production evidence was submitted at time of repayment.

LDP's are not subject to spot check if production evidence was submitted at time of LDP request.

## 525 Requirements (Continued)

**C Acceptable Types of Evidence**

Determine acceptable of evidence according to the following.

<b>Types of Evidence</b>	<b>Requirement</b>
<p>Acceptable evidence will be any 1 of the following:</p> <ul style="list-style-type: none"> <li>• copies of sales documents that include the name and address of the processor, buyer, or broker who is purchasing the mohair, unshorn lambs, or wool</li> <li>• weight or scale tickets from a commissioned agent or CCC approved third party</li> <li>• delivery evidence</li> <li>• core test reports or certificates</li> <li>• settlement sheets</li> <li>• invoices or kill sheets from the lamb slaughter company for unshorn pelt LDP's.</li> </ul>	<p>The documentation <b>must</b> include enough information to provide County Offices with the following:</p> <ul style="list-style-type: none"> <li>• an accurate record of eligible quantity of mohair, unshorn pelts, or wool</li> <li>• net quantity</li> <li>• date of sales transaction, if sold</li> <li>• proof of payment from buyer, if commodity was sold</li> <li>• price received for quantity marketed</li> <li>• commodity</li> <li>• producer's name</li> <li>• crop year may be certified or provided by the producer</li> <li>• immediate slaughter of unshorn lambs may be certified by the producer and is generally assumed when production evidence indicates sale to a lamb slaughter company or an order buyer representing a slaughter lamb company at an auction sale.</li> </ul> <p><b>Note:</b> In the case of unshorn pelts, the production evidence must indicate that the lambs were unshorn at the time of sale/purchase. In cases where the seller does not know if the lamb is being sold as a feeder lamb or as a slaughter lamb, the invoices should provide lamb weights that can be used to determine the lambs that are at an acceptable slaughter weight and lambs that are not and need to be further fed, based on COC knowledge. COC may establish the acceptable weight requirement.</p>

## 525 Requirements (Continued)

## C Acceptable Types of Evidence (Continued)

Types of Evidence	Requirement
<p>The following types of evidence must be used in combination to verify quantities if the above evidence is not available:</p> <ul style="list-style-type: none"> <li>• farm management records kept through normal production practices</li> <li>• reasonable quantity determination based on maximum eligible quantity according to subparagraph 528</li> <li>• receipts for feed</li> <li>• veterinary records</li> <li>• IRS inventory records</li> <li>• farm credit balance sheets</li> <li>• private insurance documents.</li> </ul>	<p>Proof of payment can be settlement records or copy of the check.</p> <p><b>Note:</b> Production evidence may be handwritten, but is not acceptable for any type of production evidence submitted by the producer for the producer's own production.</p> <p>COC must be satisfied with the documentation submitted. If questionable, COC may require certified documentation of actual net weight of the production pounds from a local CCC-approved scale, at the expense of the producer.</p> <p><b>Note:</b> In cases where the production evidence does not indicate that the unshorn lambs are being sold as a feeder lambs or slaughter lambs, COC can establish the acceptable weight requirement based on COC knowledge for lambs that are acceptable slaughter weight and lambs that are not and need to be further fed.</p>

## 525 Requirements (Continued)

**D Unacceptable Production Evidence**

Unacceptable production evidence may be documentation that:

- indicates someone other than the producer
- does **not** meet the requirements for acceptable production evidence.

If the producer submits production evidence with a different person/entity name, COC must review the evidence thoroughly to verify whether the production is eligible. Different names on the production evidence should be reviewed to determine relationships to producer and other farming interests and to ensure that beneficial interest has been maintained.

These different person/entity names are, but not limited to, the following:

- spouse
- minor child
- church organizations
- other charitable entities
- owners.

County Offices:

- must ensure that the quantity recorded on the documentation is consistent with the following:
  - total production recorded on CCC-633WM and indicated on CCC-633 EZ
  - crop year production levels
- may require certified weights from a local scale, if practical.

**Note:** Producer must provide the number of eligible loan containers and pounds for the disposition evidence submitted. This information must **not** be estimated or calculated by the County Office.

**E Production Evidence Voluntarily Submitted**

County Offices will accept production evidence when producers voluntarily provide production evidence and were not selected for spot check.

If the quantity supported by production evidence is less than the market gain or LDP quantity, record and collect the shortage according to paragraph 506 or 507, as applicable.

Good faith determinations are necessary for any quantity that is **not** within tolerance.

**525 Requirements (Continued)**

**F Other Verifications**

County Offices will ensure that the quantity recorded on the documentation is consistent with crop year production levels for the animal characteristics, such as, number of animals in the herd, breed, gender, and weight of the animal shorn in the producer's herd.

**Note:** County Offices may require certified production weights from a local CCC-approved scale, if practical.

**526 Dates for Submitting Evidence****A Final Dates to Submit Evidence**

Producers must submit production evidence for:

- sold quantities within 15 calendar days from date of request
- commodities stored on the farm, the earlier of the following:
  - 15 calendar days of when the commodity has been sold
  - loan maturity date
  - the last day of the ninth calendar month after the month in which LDP was disbursed.

**B Production Evidence Not Submitted**

If producers have **not** submitted production evidence by the final date to submit evidence, County Offices must notify applicable producers in writing that:

- production evidence must be submitted within 30 calendar days
- LDP's and market gains, plus interest, must be refunded to CCC if production evidence is not received in the County Office within 30 calendar days.

COC may accept production evidence **after** the deadline and rescind the demand for refund, if it is determined the delay in submitting production evidence resulted from circumstances beyond the producer's control.



**527 Failure to Provide Acceptable Production Evidence**

**A Loan Provisions**

County Offices must follow the procedures in 8-LP, Part 3, Section 3 for market loan repayments when the producer receives a market gain and when:

- **no** acceptable production evidence is received in the County Office within 30 calendar days from date notified according to subparagraph 526 B.
- the total loan quantity is determined ineligible.

## 528 Maximum Eligible Quantity

### A Determining Reasonableness

County Offices must verify all loan and LDP quantities for reasonableness before disbursement. Determining reasonableness will be based on maximum eligible quantities provided in subparagraph G. The average grease fleece weights of pounds produced used to determine maximum eligible quantities are based on the following characteristics of the animals in the herd:

- quantity
- breed
- gender type
- mature body weight
- shearing date.

Benefits will **not** be disbursed on quantities **not** determined reasonable **unless** supporting evidence is provided to substantiate the quantity.

### B STC and COC Responsibilities

STC's will play an active role in providing guidance to COC's to ensure that responsible and equitable determinations are made. COC may use their own discretion to determine a reasonable quantity based on various known conditions that may have affected commodity production levels during the crop year. STC's and COC's are in the best position to know what production levels or practices are reasonable for their area. Any loan or LDP quantities verified by the County Office according to subparagraph A, that are determined to be unreasonable or exceed the acceptable production ranges in subparagraph G, must be referred to COC.

This responsibility is being entrusted to STC's and COC's to deliver the program in the most feasible, reasonable, and reliable manner possible. Therefore, COC has the authority to adjust the average production ranges of the applicable breeds provided in subparagraph G based on the following:

- personal knowledge of the producer's operation
- mature animal body weights of the applicable breed in excess of the average.

Production levels exceeding the weight ranges in subparagraph G must be documented accordingly in the COC minutes. If the producer is not satisfied with the maximum quantity determination by COC, provide producer appeal rights to COC.

**528 Maximum Eligible Quantity (Continued)****C Reasonable Quantities**

Reasonableness for certified farm-stored loan or LDP quantities will be determined by multiplying the total number of head in the producer's current herd or flock by the applicable average grease weight fleece pounds produced for each breed as provided in subparagraph G, that will determine:

- a production range applicable to the breeds certified
- maximum eligible quantity.

COC will exercise judgment and rely on their knowledge of practices and applicable conditions when determining reasonableness for loan or LDP quantities exceeding the production ranges provided in subparagraph G.

**D Example of Determining Reasonableness**

Producer has 10 Dorset ewes that produce an average of 5 to 8 pounds of grease weight fleece pounds. The producer requests LDP on 60 pounds of wool. Multiplying 10 times 5 to 8 pounds of average production a maximum eligible quantity for this breed averages 50 to 80 pounds. The midpoint average pounds produced would be 50 to 65 pounds for ewes and 65 to 80 pounds for rams. The quantity of the producers LDP request is reasonable, and a maximum eligible quantity has been determined by COC. The loan or LDP request may be approved if all other eligibility criteria have been met.

**Note:** Producer may need to be contacted or asked information, such as the number of head or sheep breeds, to determine whether the quantity is reasonable and to establish a customer profile in RQMS.

**528 Maximum Eligible Quantity (Continued)****E Determining the Maximum Eligible Quantity**

The maximum eligible quantity is determined by multiplying the total number of head in the producer's current herd or flock by the applicable average pounds for each breed according to subparagraph G, to determine a low to high range of average pounds produced by each applicable breed. Mature body weight and gender of the breed are also considered to determine the maximum eligible quantity. Determine the midpoint of average grease weight pounds. Ewes would have an average of the low to the midpoint, whereas rams would range from the midpoint to the determined high. County Offices will use the producer profile in RQMS for both loans and LDP's to maintain a ledger of the producer's maximum quantity available.

**F Example of Calculating the Maximum Eligible Quantity**

Producer has 100 Suffolk ewes that he maintains on average in his herd at an average mature ewe body weight of 250 pounds. According to the established average grease weight this particular breed produces an average of 4 to 8 pounds. The number of head multiplied by the average grease weight fleece pounds produced equals an average low of 400 pounds to a high of 800 pounds that can be produced in a year. The average range ewes can produce in that year will be 400 to 600 pounds and for rams the average range will be 600 to 800 pounds.

**528 Maximum Eligible Quantity (Continued)****G Breed Specific Production Averages for Mohair and Wool**

To establish maximum pounds of production on farm-stored loans and LDP's, County Offices must use:

- for angora goats, the U.S. average of approximately 6.3 pounds of mohair per shearing at a mature body weight of 180 to 225 pounds for bucks and 70 to 110 pounds for does
- for sheep, either of the following:
  - the U.S. average of approximately 7.6 pounds of fleece per shearing at mature body weight
  - the average pounds of fleece produced by breed of sheep according to the following.

<b>Breed</b>	<b>Type</b>	<b>Mature Body Weight</b>	<b>Average Grease Weight Fleece Lbs. Produced</b>
American Cormo	ram	180-220 lbs.	10-14
	ewe	140-165 lbs.	
Black Welsh Mountain	ram	100-125 lbs.	3-4
	ewe	75-100 lbs.	
Blueface Leicester	ram	230-270 lbs.	6-8
	ewe	160-220 lbs.	
Booroola Merino	ram	175-210 lbs.	9-15
	ewe	110-150 lbs.	
Border Leicester	ram	225-300 lbs.	8-12
	ewe	150-225 lbs.	
California Reds	ram	175-220 lbs.	5-7
	ewe	120-150 lbs.	
California Variegated Mutant	ram	150-200 lbs.	6-12
	ewe	125-150 lbs.	
Cheviot	ram	160-200 lbs.	5-8
	ewe	120-160 lbs.	
Clun Forest	ram	175-200 lbs.	5-9
	ewe	130-160 lbs.	
Columbia	ram	250-350 lbs.	12-16
	ewe	160-240 lbs.	
Coopworth	ram	225-275 lbs.	12-18
	ewe	140-170 lbs.	
Corriedale	ram	220-275 lbs.	10-15
	ewe	150-200 lbs.	
Cotswold	ram	250-290 lbs.	12-15
	ewe	190-220 lbs.	

## 528 Maximum Eligible Quantity (Continued)

## G Breed Specific Production Averages for Mohair and Wool (Continued)

Breed	Type	Mature Body Weight	Average Grease Weight Fleece Lbs. Produced
Debouillet	ram	220-275 lbs.	9-14
	ewe	125-150 lbs.	
Delaine-Merino	ram	190-240 lbs.	9-14
	ewe	125-160 lbs.	
Dorset	ram	225-275 lbs.	5-8
	ewe	150-200 lbs.	
East Friesian	ram	225-270 lbs.	9-12
	ewe	160-180 lbs.	
Finnsheep	ram	160-220 lbs.	4-8
	ewe	120-160 lbs.	
Gulf Coast Native	ram	145-180 lbs.	4-6
	ewe	85-115 lbs.	
Hampshire	ram	250-350 lbs.	6-10
	ewe	175-250 lbs.	
Icelandic	ram	180-220 lbs.	4-5
	ewe	130-150 lbs.	
Jacob	ram	140-190 lbs.	3-6
	ewe	90-130 lbs	
Karakul	ram	175-225 lbs	5-10
	ewe	100-150 lbs	
Katahdin and Dorpher	The Katahdin breed is a woolless, meat type sheep that is <b>not</b> : <ul style="list-style-type: none"><li>• marketable</li><li>• eligible for wool LDP or MAL</li><li>• eligible for an unshorn pelt LDP.</li></ul>		
Lincoln	ram	240-300 lbs.	12-16
	ewe	200-250 lbs.	
Montadale	ram	200-275 lbs.	7-11
	ewe	160-180 lbs.	
Navajo-Churro	ram	120-175 lbs	4-8
	ewe	85-120 lbs	
North Country Cheviot	ram	200-300 lbs.	5-10
	ewe	130-180 lbs.	

## 528 Maximum Eligible Quantity (Continued)

## G Breed Specific Production Averages for Mohair and Wool (Continued)

Breed	Type	Mature Body Weight	Average Grease Weight Fleece Lbs. Produced
Oxford	ram	225-325 lbs.	7-10
	ewe	150-200 lbs.	
Panama	ram	250-280 lbs.	13-15
	ewe	180-210 lbs.	
Perendale	ram	220-260 lbs.	8
	ewe	120-150 lbs.	
Polypay	ram	190-250 lbs.	7-10
	ewe	140-180 lbs.	
Rambouillet	ram	200-300 lbs.	10-15
	ewe	140-180 lbs.	
Romanov	ram	175-240 lbs.	6-13
	ewe	135-160 lbs.	
Romney	ram	200-275 lbs.	10-18
	ewe	150-200 lbs.	
Scottish Blackface	ram	150-175 lbs.	5-6
	ewe	115-130 lbs.	
Shetland	ram	90-125 lbs.	2-4
	ewe	75-100 lbs.	
Shropshire	ram	225-290 lbs.	6-10
	ewe	170-200 lbs.	
Southdown	ram	180-230 lbs.	5-8
	ewe	120-180 lbs.	
Suffolk	ram	275-400 lbs.	4-8
	ewe	200-300 lbs.	
Targhee	ram	200-300 lbs.	10-14
	ewe	140-200 lbs.	
Texel	ram	190-240 lbs.	7-10
	ewe	140-185 lbs.	
Tunis	ram	175-225 lbs.	8-12
	ewe	130-160 lbs.	

**Note:** Sheep that are wool and haired cross are not eligible for Wool MAL or LDP.

529-599 (Reserved)





## **Part 6 Repayments**

### **Section 1 Types of Repayments**

#### **600 Principal Plus Interest Repayments**

##### **A General Repayment Provisions**

See 8-LP, Part 7, Section 1 for general repayment provisions.

##### **B Applicability of Repayment at Principal Plus Interest**

Producers are required to repay loans at principal plus interest for the following reasons:

- after 15<sup>th</sup> calendar day after expiration of CCC-681-1 for the quantity delivered
- incorrect certification determination
- loan has been called
- quantity removed or disposed of without prior authorization
- for any quantity delivered on CCC-681-1 after maturity.

**601 Marketing Loan Repayments****A Cash Marketing Loan Repayments**

Market loan repayments with cash are at the **lesser** of the following:

- principal plus interest
- CCC-determined value.

The CCC-determined value in some cases may be higher than the loan rate, but less than the loan principal plus interest.

**B CCC-Determined Value**

The CCC-determined value for the day the repayment is received in the County Office that disbursed the loan must be used in determining the repayment rate. Calculate the CCC-determined value according to subparagraph 650.

See paragraph 631 for locking-in-repayment rates on CCC-697.

**C Payment Limitation and AGI**

Payment limitations and AGI apply to marketing loan gains for the 2019 through 2023 crop years.

See paragraph 203 for additional information.

**D Production Evidence Required**

For loans that are repaid under the marketing loan provisions **and** are selected for spot check, require the producer to submit production evidence to the County Office.

See Part 5 for:

- determining acceptable production evidence
- submitting production evidence.

**E Market Gain Reported to IRS**

The market gain is the difference between the loan principal that is liquidated and the amount needed for the marketing loan repayment, when the marketing loan repayment amount is less than the loan principal amount that is liquidated.

**601 Marketing Loan Repayments (Continued)****E Market Gain Reported to IRS (Continued)**

The commodity loan gain is the difference between the loan principal amount that is liquidated and the amount needed for the Commodity Certificate Exchanges (CCE), when the CCE repayment amount is less than the loan principal amount that is liquidated.

The amount of both the market loan gain and commodity loan gain are reported to IRS.

**F Denied Market Gains**

Part or all of a producer's calculated market gain must be denied if **any** of the following apply:

- percent of cropland factor is less than 1.0000
- permitted entity share is less than 100 percent
- not in compliance with AGI provisions
- other eligibility requirements are not met according to 8-LP, paragraph 200.

**602-609 (Reserved)**



## Section 2 Interest

**610 Applicable Interest Rates****A Interest Applicable to Loans**

The interest rate:

- applicable to CCC loans must be:
  - equal to the interest rate plus 1 percent announced by CCC for the month in which the loan is disbursed
  - adjusted on January 1 to equal the interest rate announced for the month of January by CCC
- is assessed at the rate applicable to the loan, subject to January 1 adjustment, from the approval date to the **earlier** of the following:
  - second day before date of repayment for loans disbursed by EFT or Treasury check
  - settlement date.

See 50-FI for applicable interest rates.

**610 Applicable Interest Rates (Continued)****B Interest Applicable to Receivable, Overpayment, and Overdisbursement Amounts**

Currently, receivable, overpayment, and overdisbursement amounts do not remain in CLPS but are automatically moved to NRRS when the MAL is cancelled.

NRRS interest rules are applicable to all receivables in NRRS.

For an LDP overpayment, interest is assessed:

- at the rate applicable to CCC loans, excluding the additional 1 percent, for the month in which LDP was made
- from the date LDP was made to the earlier of the following:
  - date of refund
  - 31<sup>st</sup> calendar day after the date of demand letter.

**Note:** After an interest rate is established for a receivable, the interest rate will:

- **not** change on January 1
- remain in effect until the receivable in NRRS is repaid.

**610 Applicable Interest Rates (Continued)**

**C Interest Applicable to Violations**

The interest rate for:

- loan violations is the interest rate applicable to the loan, according to subparagraph A
- LDP violations is the interest rate applicable to CCC loans excluding the additional 1 percent for the month in which LDP was made.

**611 Manual Interest Calculations****A Manually Calculating Interest**

Interest is calculated by CLPS for transactions processed through CLPS.

For regular loan repayments for loans:

- disbursed by EFT or Treasury check, interest is computed on a daily basis from the date of approval to, but not including, the second day before the date of repayment
- when different interest rates apply, interest is computed from:
  - date of approval to, but not including, the effective date interest changed

**Example:** October 15, 2022, to January 1, 2023

- date of interest change to, but not including, the second day before the date of repayment, or another rate change occurs.

**Example:** January 1, 2022, to April 13, 2022, for a repayment received on April 15, 2022.

**Note:** If the interest period includes February 29, include February 29 in the number of days computed, **but** divide the total number of days by **365** when computing the interest.



**611 Manual Interest Calculations (Continued)****B Farm-Stored Nonrecourse Loan Deficiencies**

**Important:** Settlement processing in CLPS is currently not available. If County Offices have settlements to process, State Offices must contact PSD policy and PDD automation for instructions on proceeding.

For farm-stored nonrecourse loan deficiencies on settlements, determine applicable interest rate and time period for interest assessment as follows:

- interest is assessed on the deficient principal amount:
  - at the interest rate applicable to the loan
  - for the period from the date of disbursement, subject to January 1 adjustment, up to the date the settlement is completed
- the resulting receivable, created through the settlement process:
  - consists of deficient loan principal and applicable loan interest
  - must be assessed interest, according to subparagraph 610 B, applicable to receivables.

**612-619 (Reserved)**



**Section 3 Farm-Stored Loan Repayments****620 Farm-Stored Repayments****A Payment Before Movement**

A producer must make repayment **before** the loan collateral is moved unless prior arrangements have been made.

**B Payment After Movement**

A producer may request release of loan collateral for sale to a buyer and provide payment **after** movement of the commodity, according to CCC-681-1 provisions in 8-LP, Part 7.

**C Repaying Loan Quantity**

A producer may repay a farm-stored loan in full or in part by paying an amount representing the quantity redeemed.

**621 Repayment Schedules**

**A Establishing a Repayment Schedule**

Contact the program manager if a repayment schedule is needed.

**622-629 (Reserved)**

## Section 4 CCC-681-1 Provisions

**630 Requesting Release of Farm-Stored Commodity Before Repayment****A Purpose of CCC-681-1**

CCC-681-1 must be used to:

- authorize the removal and delivery of the farm-stored loan collateral to a buyer for sale **if** the proceeds of the sale are used to immediately repay the loan
- notify the buyer that CCC:
  - has a perfected security interest in the specified quantity
  - will **not** release CCC's security interest in the collateral sold until repayment is received.

**B When to Use CCC-681-1**

Producer may request that a commodity pledged as collateral for CCC farm-stored loan be released for delivery to a buyer before repayment because the sales proceeds are needed to repay the loan.

CCC-681-1 must be issued **only** when a producer needs to deliver and sell the commodity to repay the loan.

See 8-LP, Part 7, Section 4 for CCC-681-1 provisions.

## 631 Locking-In Repayment Rates

### A Locking-In on CCC-697

Producers may lock in a repayment rate for 60 calendar days.

Lock-in rates:

- can be requested on disbursed loans **only**
- cannot be requested within 14 calendar days of loan maturity.

Loans that have been requested but not disbursed are not eligible for lock-in repayment requests.

**Note:** Lock-in rates are not applicable to CCE.

### B Expiration

CCC-697 will expire on the earlier of the following:

- 60 calendar days from date of approval
- 14 calendar days before loan maturity.

If the expiration date falls on a non workday, the expiration date must be the next workday.

See 8-LP, Part 7, Section 2 for CCC-697 provisions.

## 632-649 (Reserved)

**Section 5 Calculating Alternative Repayment Rate (CCC-Determined Value)****650 General Information****A CCC-Determined Value**

The CCC-determined value (lesser of subparagraph C) is the amount used to determine:

- LDP rates
- market loan repayment rates.

**B LDP Rate**

The LDP rate is determined by the amount the applicable commodity loan rate exceeds the CCC-determined value where the mohair and wool is either stored or marketed. See Part 4 for LDP's.

**C Market Loan Repayment Rate**

Market loan repayment rates are at the lesser of the following:

- principal plus interest
- 30-calendar-day repayment rate.

Complete market loan repayments according to Section 1.

**D Repayment Rate Announcement**

The repayment rates announced for mohair and wool will be available on Tuesday of each week at 3 p.m. EST and can be found on the FSA Internet at

**<http://www.fsa.usda.gov/programs-and-services/price-support/Index>.**

Under "Weekly Commodity Rates", select "Wool and Mohair LDP Rates".

**651-659 (Reserved)**





## Section 6 Commodity Certificate Exchange for Loan Collateral

### 660 General Information

#### A Availability

Beginning with the 2015 crop year, producers may purchase commodity certificates at their County Office and immediately exchange for outstanding nonrecourse loan collateral.

CCE are only applicable when the loan rate exceeds the exchange rate.

#### B 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 or producer's agent 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.

#### C Eligible Producer

An eligible producer must:

- have an outstanding nonrecourse commodity loan, not past maturity, to purchase commodity certificates
- 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 beneficial interest
  - request the loan by the final loan availability date.

**660 General Information (Continued)****C Eligible Producer (Continued)**

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

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

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

**D General CCE Policy**

CCE's apply to shorn wool or mohair that is farm-stored.

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

- commingled commodities stored at unapproved and/or unlicensed warehouses
- re-pledged commodities
- 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 IRS-1099-G statement.

**660 General Information (Continued)****E Exchange Rate**

The CCE rate or the CCC-determined value is based on the date the certificate is purchased and for wool uses, the Monthly CCC Wool and Mohair 30-day repayment rate for MAL's for that same date.

CCE's are only applicable when the loan rate exceeds the Monthly CCC 30-day repayment rate for MAL's.

**F 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.

**G FAX Requests**

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

**H CCE Option for Wool or Mohair MAL's**

There are 2 options available to request commodity certificates for exchange for wool or mohair 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
- 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.

**I CCE Definitions**

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.

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.

**661-699 (Reserved)**



**Part 7 Basic Loan Settlements****Section 1 Basic Provisions****700 Final Settlement Procedures****A Basic Provisions**

Because there are no approved CCC warehouses for mohair or wool, all nonrecourse MAL's not repaid by the loan maturity date must be disposed through local sales at the farm storage location within a 60-calendar-day period after maturity at **no** storage expense to CCC.

County Offices must try to have local sales completed with the 60-calendar-day period.

**B Premiums and Discounts**

The schedule of premiums and discounts applicable to mohair and wool is applied in final settlement. The settlement value will be based on the following:

- for graded wool:
  - micron range
  - offsorts
  - preparation (applicable to fleece wool only, not applicable to offsorts)
  - length (applicable to fleece wool only, not applicable to offsorts)
  - vegetable matter
  - damage/stain/mud/wet
  - non-merchantability
  - polypropylene contamination
- for ungraded wool:
  - offsorts
  - length
  - polypropylene contamination
  - non-merchantability

**700 Final Settlement Procedures (Continued)****B Premiums and Discounts (Continued)**

- for mohair:
  - micron range
  - length
  - vegetable matter
  - kemp.

**Note:** Producers who elect to settle the mohair loan collateral to CCC in satisfaction of the loan amount due will be required, at the producer's expense, to obtain a core test report indicating the applicable micron and yield of the quantity offered for settlement.

**C Mohair or Wool Inspection**

Applicable premiums and discounts will be applied at loan settlement and based on the following:

- inspection of the delivered commodity by an AMS agent or other CCC-approved representative
- core test report from a CCC-approved testing facility for mohair and graded wool.

**Note:** Mohair delivered for settlement of an outstanding CCC loan will require a core test (Exhibit 3), at the expense of the producer, to determine quality factors.

**700 Final Settlement Procedures (Continued)****D Mohair Yield Adjustment**

The mohair loan rate must be adjusted for yield **after** all mohair discounts have been applied. The mohair yield must be calculated using the Schlumberger Yield obtained from the core test report of a CCC-approved testing facility to determine the final loan settlement rate.

To calculate the mohair yield adjustment, apply all premiums and discounts to the loan rate to determine the adjusted loan rate. Divide the adjusted loan rate by .75 and then multiply the resulting figure by the Schlumberger Yield from the core test report, moving the decimal in the Schlumberger Yield 2 places to the left, to determine the final loan settlement rate per pound of mohair forfeited to CCC.

**E Mohair Yield Adjustment Example**

The following is an example of a yield adjustment for mohair.

Producer A received a loan of \$4,200 for 1,000 pounds of mohair that he forfeits to CCC. The core test results from the forfeited mohair indicate that the mohair was average adult with a 35 micron, 3.5 length, 1.0 percent vegetable matter, 5.62 percent medulated fibers, 0.50 percent kemp fibers, and a Schlumberger Yield of 73.6 percent.

From the \$4.20 loan rate initially disbursed to Producer A, deduct the following based on the mohair discounts in this paragraph, -\$1.52 for type of mohair and micron, -\$0.54 for length, -\$0.27 for vegetable matter, -\$0.27 for medulated fibers, -\$0.27 for kemp fibers to come up with an adjusted loan rate of \$1.33.

$$\$1.33 / .75 = \$1.77$$

$$\$1.77 \times .736 = \$1.31$$

\$1.31 per pound is the final settlement rate  
 x 1000 pounds of forfeited mohair  
 \$1,310

\$4,200 original loan disbursement  
 - \$1,310 adjusted settlement value  
 \$2,890

The producer owes CCC \$2,890 for the forfeited mohair.

**700 Final Settlement Procedures (Continued)****F Additional Expenses**

Any costs incurred by CCC to obtain quantity or quality grading factors to apply associated premiums and discounts for mohair and wool delivered to CCC will be for the account of the producer and will be deducted from the loan settlement value, in addition to applicable deductions provided in subparagraph B. The producer is responsible for any loss in quantity or quality of the loan collateral.

**Note:** Producers are required, at their own expense, to have all mohair and wool loan quantities weighed and provide an acceptable weight receipt for mohair and wool loan quantities that will be settled with CCC through local sale.

AMS charges a per hour fee for the required inspection of the mohair and wool loan collateral that will be settled by local sale. State Offices must contact PSD for the current hourly rate and information on how to request the inspection.

**G Settlement Value**

Calculate the settlement value from the information on CCC-691, CCC-930, and the applicable crop year loan rate premiums and discounts in subparagraph B and paragraph 724.

Complete settlements according to 8-LP, Part 8 **after** receiving all of the following:

- CCC-691
- core test report for mohair and graded wool
- CCC-930 from AMS inspector (subparagraph L).

Settlement will be made by CCC on the basis of the base loan rate:

- using the national loan rate for the applicable crop year
- adjusted for applicable specific crop year premiums and discounts.



**700 Final Settlement Procedures (Continued)****H State Office Action**

For all mohair and wool loans that will be settled by local sale, State Offices will:

- after receiving required loan settlement information from the County Office provided in subparagraph I, scan and email the information to [MALLDP@usda.gov](mailto:MALLDP@usda.gov) in PSD at the National Office
- remind County Offices that producers are responsible for all expenses associated with the local sale, including, but not limited to:
  - weighing
  - core testing (mohair only)
  - AMS inspection
  - advertising
- inform County Office of scheduled inspection day and time determined by AMS
- contact the PSD National Office if informed by the County Office that CCC-930 has not been received in the County Office 30 calendar days after the scheduled inspection date determined by AMS.

**700 Final Settlement Procedures (Continued)****I County Office Action**

For all mohair and wool loans that will be settled by local sale, County Offices will:

- immediately notify the State Office in writing by letter, electronic mail, or FAX that a mohair or wool loan in their county will be settled by local sale, along with the following information:
  - producer's name
  - producer's telephone number
  - loan number
  - farm storage location of mohair and wool that will be settled by local sale
  - loan amount
  - loan quantity
  - commodity (such as, graded wool, mohair, or ungraded wool)
- remind producers that they are responsible for all expenses involved with conducting a local sale
- await notification from the State Office of scheduled inspection date and time determined by AMS.

**Note:** The County Office must contact the State Office if CCC-930 is not received in the County Office within 30 calendar days after the scheduled inspection date determined by AMS.

**J National Office Action**

For all mohair and wool loans that will be settled by local sale, the National Office will:

- notify the State Office of receipt of loan settlement information
- contact the AMS representative to schedule inspection of commodity
- inform State Office of scheduled inspection day and time determined by AMS.

**700 Final Settlement Procedures (Continued)**

**K AMS Action**

For all mohair and wool loans that will be settled by local sale and inspected by AMS, the AMS representative will:

- immediately contact the appropriate producer to schedule date and time of inspection
- notify the National Office of scheduled inspection day and time complete CCC-930 according to inspection of quality factors.

Upon inspection of the commodity by the AMS inspector or representative, AMS will return completed CCC-930 to the applicable County Office within 30 calendar days which will display the official AMS results.

## 700 Final Settlement Procedures (Continued)

**L Example of CCC-930, AMS Inspection Certificate of Quality Factors for Wool and Mohair**

The following is an example of CCC-930 completed by AMS.

<b>This form is available electronically.</b> <b>CCC-930 U.S. DEPARTMENT OF AGRICULTURE</b> (02-04-11) Commodity Credit Corporation		1. Inspection Number xxxxxx	
<b>AMS INSPECTION CERTIFICATE OF QUALITY FACTORS FOR WOOL AND MOHAIR</b>		2A. Date of Inspection 05-01-20xx	2B. Time of Inspection 9:00 am
		3. Producer Name Able Farmer	
<b>PART A - COMMODITY INFORMATION</b>			
4. Region (Check One Only): <input type="checkbox"/> 1 <input checked="" type="checkbox"/> 2 <input type="checkbox"/> 3		5. Farm Storage Address (Including Zip Code) 9999 Any Rd Town, ST 99999-9999	
6. Commodity Type (Check One Only) <input type="checkbox"/> Graded Wool <input type="checkbox"/> Ungraded Wool <input checked="" type="checkbox"/> Mohair		7. No. of Bags 5	8. No. of Bags Inspected 5
<b>PART B - GRADED WOOL QUALITY FACTORS</b>			
9. FACTOR/DESCRIPTION Bellies Pieces Locks/Tags Damaged Stained Wet	YES      	NO      	9. FACTOR/DESCRIPTION Crutchings Blackface Black Wool Muddy Non-merchantable Polypropylene Contamination
		YES      	NO      
		10. LENGTH (for fleece wool ONLY) <input type="checkbox"/> 2.76 - 2.99 inches <input type="checkbox"/> 2.51 - 2.75 inches <input type="checkbox"/> 2.00 - 2.50 inches <input type="checkbox"/> Under 2.00 inches	
<b>PREPARATION FACTOR (for fleece wool ONLY, not applicable to offsorts)</b>			
11. BOU/classed/not skirted		YES 	NO 
12. BOU/unclassified/not skirted		13. BIU/unclassified/not skirted	
		YES 	
		NO 	
<b>PART C - UNGRADED WOOL QUALITY FACTORS</b>			
15. FACTOR/DESCRIPTION Bellies Pieces Locks/Tags Non-merchantable	YES    	NO    	15. FACTOR/DESCRIPTION Crutchings Blackface Black Wool Polypropylene Contamination
		YES    	NO    
		16. LENGTH (for fleece wool ONLY) <input type="checkbox"/> 2.76 - 2.99 inches <input type="checkbox"/> 2.51 - 2.75 inches <input type="checkbox"/> 2.00 - 2.50 inches <input type="checkbox"/> Under 2.00 inches	
<b>PART D - MOHAIR QUALITY FACTORS</b>			
17. MOHAIR TYPE: <input type="checkbox"/> FK <input type="checkbox"/> GK <input checked="" type="checkbox"/> AK <input type="checkbox"/> FYG <input type="checkbox"/> AYG <input type="checkbox"/> FA <input type="checkbox"/> AA			
18. LENGTH: <input type="checkbox"/> Under 3 inches <input checked="" type="checkbox"/> 3.00 - 3.99 inches <input type="checkbox"/> 4.00 - 6.00 inches <input type="checkbox"/> Over 6 inches			
<b>PART E - AMS CERTIFICATION</b>			
19. Signature of AMS Inspector /s/ I. M. Inspector		20. Date (MM-DD-YYYY) 05-01-20xx	
21. Remarks			
22. County FSA Office Name and Address (Including Zip Code) Any County FSA Office 999 Any RD, Town, ST 99999-9999		23. County FSA Office Telephone No. (Include Area Code) 999-999-9999	
<small>The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.</small>			

701-719 (Reserved)

12-21-23

2-LP Wool and Mohair Amend. 1

Page 7-8  
(through 7-40)

**Section 2 Local Sales****720 Local Sales Preparation****A Authorizing Local Sales**

County Offices must request authorization of a local sale from the State Office **before** announcing the sale.

Settlement processing in CLPS is currently not available. If County Offices have settlements to process, State Offices must contact PSD policy and MAL automation for instructions before proceeding.

**B State Office Action**

The State Office must:

- authorize all local sales **before** the County Office announces the sale
- maintain a register of assigned authorization numbers
- notify the County Office of the authorization number.

**Note:** The County Office must enter the authorization number on:

- CCC-639
- CCC-638
- CCC-691, item 31.

**C Sales to Employees**

FSA employees may purchase mohair and wool offered for local sale **only** when the sale of this mohair and wool is based on competitive bids.

No purchase may be made, either directly or indirectly, by:

- the employee who was formerly accountable for the commodity or who was in any way connected with its condemnation or sale
- State Office employees without prior approval of SED
- County Office employees without prior approval of the State Office representative.

**720 Local Sales Preparation (Continued)**

**D Commodity Bids**

Bids must be handled according to 8-LP, paragraphs 849 and 850.

**E Completing Local Sales**

Local sales must be completed according to 8-LP, paragraph 851.

**F Scheduling Delivery to Purchaser**

After the sale has been completed, the County Office will:

- schedule delivery of the mohair or wool to the purchaser
- issue CCC-691 to the producer, directing delivery to the purchaser F.O.B. purchaser conveyance at storage location.

**G Supervising Delivery**

The County Office representative must:

- supervise the delivery of the mohair or wool, including weight when applicable
- provide copies of applicable weight receipts and/or core test reports
- issue payment, as applicable.

**H Completing Local Sale Processing**

County Offices will complete local sale processing according to 8-LP, paragraph 852.

## 721 Completing CCC-691, Parts B and C

## A Completing CCC-691, Part B

The FSA representative will complete CCC-691, Part B:

- at the farm storage location
- according to the following.

Item	Action
19A	Enter loan lot identification number.
19B	<p>For graded mohair and wool:</p> <ul style="list-style-type: none"> <li>• ENTER “<b>see attached</b>”</li> <li>• attach a copy of the applicable core test report</li> <li>• attach a copy of CCC-930.</li> </ul> <p>For ungraded wool:</p> <ul style="list-style-type: none"> <li>• ENTER “<b>ungraded wool</b>”</li> <li>• attach a copy of CCC-930.</li> </ul>
19F	Enter other applicable factors.
19I	Enter net weight in pounds from scale ticket.
20	Enter date delivery was completed.
21	ENTER “ <b>sale</b> ” for type of delivery.
23	<p>After delivery, the producer or the producer’s authorized agent must date and sign CCC-691 agreeing to the following:</p> <ul style="list-style-type: none"> <li>• the quantity delivered</li> <li>• that a representative sample of the commodity has been drawn and inspected for determining grading and other factors on which settlement will be based.</li> </ul>
24	<p>FSA representative supervising delivery will:</p> <ul style="list-style-type: none"> <li>• sign and date CCC-691</li> <li>• return the following to the County Office: <ul style="list-style-type: none"> <li>• CCC-691 for processing the settlement</li> <li>• CCC-930 and all other documentation received from AMS.</li> </ul> </li> </ul>

**721 Completing CCC-691, Parts B and C (Continued)**

**B Completing CCC-691, Part C**

Loanmaking County Offices will complete CCC-691, Part C, as applicable, according to paragraph 817 after inspection certificates have been received from AMS.

See 8-LP Part 8 for an example of CCC-691.

**722 Handling Bids**

**A Receiving, Opening, and Accepting Bids**

Bids must be in writing and signed by the bidder.

County Offices must:

- time- and date-stamp bids upon receipt
- keep bids in a locked file until bids are opened
- allow at least 15 days, but no later than 30 calendar days, after the date the announcement before opening bids, unless the State Office specifically waives this requirement
- record bids on CCC-639 at the time bids are opened.

Before acceptance of the successful bid, State Offices verbal approval is required.

**Note:** State Offices must follow up with written approval within 3 calendar days after verbal approval is given.



**722 Handling Bids (Continued)****B Completing CCC-639**

Complete CCC-639 according to the following table and keep in the County Office.

**Note:** Items not listed are self-explanatory.

<b>Item</b>	<b>Instructions</b>
1	Number serially by calendar year.
8	Use loan number.
11	Bid price will be on an “as is” and “where is” basis as provided for in the informal announcement.
12	Enter F.O.B. buyer and location of mohair and wool.
13-21	Leave blank.
22	Give local market price.
23	Enter information pertinent to the sale.

## 722 Handling Bids (Continued)

## C Completing CCC-639

The following is an example of CCC-639.

This form is available electronically. <b>CCC-639</b> U.S. DEPARTMENT OF AGRICULTURE (05-17-23) Commodity Credit Corporation  <b>COMPETITIVE BID PRICING WORKSHEET</b>						1. ANNOUNCEMENT NO.	2. SALES NO.(S)	3. DATE (MM-DD-YYYY)
						4. LOCATION OF COMMODITY	5. COUNTY	
						6. COMMODITY	7. TYPE OF SALE AS IS <input type="checkbox"/> GRADE BASIS <input type="checkbox"/>	
<b>PART A - BIDS RECEIVED</b> (If additional space is needed, use Page 2.)								
8. LOT NO. (Include Loan No. or Bin No.)	9. NAME AND ADDRESS OF BIDDER (Check successful bidder(s))	(X)	10. TIME AND DATE	11. BID PRICE (Per Unit)	12. DELIVERY BASIS (Location of Commodity)			
		<input type="checkbox"/>		\$				
		<input type="checkbox"/>		\$				
		<input type="checkbox"/>		\$				
		<input type="checkbox"/>		\$				
		<input type="checkbox"/>		\$				
<b>PART B - ADJUSTED TERMINAL PRICE(S)</b>								
13. Terminal Market				\$				
14. Grade and Quality				\$				
15. Terminal Market Price				\$				
16. Terminal Marketing Charges and Weighing and Inspection <sup>1/</sup>				\$				
17. Freight				\$				
18. Warehouse Load Out Charge				\$				
19. Constructed Cost (if applicable)				\$				
20. Other (specify)				\$				
21. Adjusted Terminal Price				\$				
22. LOCAL MARKET INFORMATION								
23. REMARKS								
<sup>1/</sup> Do not deduct these charges if not borne by CCC in the commodity office area. 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 <a href="http://www.ascr.usda.gov/complaint_filing_cust.html">http://www.ascr.usda.gov/complaint_filing_cust.html</a> 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: <a href="mailto:program.intake@usda.gov">program.intake@usda.gov</a> . USDA is an equal opportunity provider, employer, and lender.								

## 722 Handling Bids (Continued)

## C Completing CCC-639 (Continued)

CCC-639 (05-17-23)

Page 2 of 2

**PART A - BIDS RECEIVED** (Continued from Page 1)

8. LOT NO. (Include Loan No. or Bin No.)	9. NAME AND ADDRESS OF BIDDER (Check successful bidder(s))	(X)	10. TIME AND DATE	11. BID PRICE (Per Unit)	12. DELIVERY BASIS (Location of Commodity)
		<input type="checkbox"/>		\$	
		<input type="checkbox"/>		\$	
		<input type="checkbox"/>		\$	
		<input type="checkbox"/>		\$	
		<input type="checkbox"/>		\$	
		<input type="checkbox"/>		\$	
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		<input type="checkbox"/>		\$	
		<input type="checkbox"/>		\$	
		<input type="checkbox"/>		\$	

**722 Handling Bids (Continued)****D Notifying Successful Bidders**

County Offices must:

- complete CCC-638 according to the following table
- mail copy of CCC-638, or a similar letter, to the successful bidder on the opening day
- keep original CCC-638 in County Office.

<b>Item</b>	<b>Instructions</b>
1	Numbers shown on CCC-639, item 2.
2	ENTER “Informal”.
5	All sales will be F.O.B. buyer where stored.
10 C	Enter F.O.B. buyer and location of commodity.
10 F	Enter price shown on applicable CCC-639, item 11.
10 H	Enter the results by multiplying item 10 B by 10 F.
11	Enter any information pertinent to the delivery of the commodity.
16	CED or designee must sign.
17-22	Leave blank.

## 722 Handling Bids (Continued)

## E Example of CCC-638

The following is an example of CCC-638.

<b>CCC-638</b> (05-17-23)		<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation		1. Sales Number		2. Type of Sale	
				3. State and County Codes		4. Date Issued (MM-DD-YYYY)	
<b>CONFIRMATION OF SALE</b> (See Page 2 for Privacy Act Statement.)							
6A. Buyer's Name and Address (Including Zip Code)				5. Delivery Point (Include bin site or warehouse number & location or name)			
				7. Weigh Point (If other than delivery point)		8. Unit of Measure <input type="checkbox"/> BU. <input type="checkbox"/> CWT.	
				9. Commodity		Other (Specify):	
6B. Telephone Number (Including Area Code):							
10. CCC agrees to sell the lot(s) described below to the buyer subject to the terms and conditions specified herein and any applicable regulations or announcements governing such sales.							
A. Lot Identity	B. Estimated Quantity	C. Delivery Basis	D. Quality Basis	E. Delivery Date	F. Contract Price \$	G. Advance Payment \$	
						H. Total:	
11. Remarks							
12. Buyer to Sign Original and return to County Office <input type="checkbox"/>				13. Buyer Signature Not Required <input type="checkbox"/>			
14A. Name and Address of FSA County Office (Including Zip Code)				15A. Signature of Buyer			
14B. Telephone Number (Including Area Code):				15B. Date (MM-DD-YYYY):			
16A. For the FSA (County Committee Signature)				16B. Date (MM-DD-YYYY)			
17. Settlement Information							
A. Reference Number	B. Net Premium Or Discount Per Unit	C. Bin Emptying Credits Per Unit (Bin Sale Only)	D. Net Price Per Unit \$	E. Dock- Age	F. Net Quantity (In Units)	G. Net Proceeds (In Dollars) \$	H. Form CCC-257 (Numbers and (\$ Amounts))
I. Totals:							
18. Form 55 No. (Bin Sales Only)		19. Refund Check No.		20. Amount of Refund \$		21. Total Net Proceeds Adjusted for Damages \$	
22A. For the Office Manager						22B. Date (MM-DD-YYYY)	

## 722 Handling Bids (Continued)

## E Example of CCC-638 (Continued)

CCC-638 (05-17-23)

Page 2 of 2

**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 1421, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used by CCC to identify/confirm the terms and conditions associated with the sale of a commodity. 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 for individuals/entities to participate in the CCC commodity sale process.

**Paperwork Reduction Act (PRA) Statement:** This information collection is exempted from PRA as specified in 7 U.S.C. 9091(c)(2)(B). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

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.

**722 Handling Bids (Continued)****F Posting Bills**

When a sale is made:

- prepare a list showing the names of the bidders, bid, and successful bidder
- post the list in the County Office on the date that CCC-638 is mailed and leave posted for at least 5 calendar days.

The County Office must retain CCC-638, CCC-639, and all successful and unsuccessful bids on file in the County Office for 5 years.

**G Making Payment for Sales**

Payments for the sale of mohair and wool must be:

- made by the successful bidder before or at the time of delivery
- in cash or other acceptable remittance
- received in the County Office within 5 calendar days after successful bid notification.

**H Applicable Charges**

The producer is responsible for applicable charges incurred as necessary to complete the sale of loan collateral.

**Examples:** Weighing, sampling, or grading.

Document all charges on CCC-691, Part C, as applicable. These charges must be recorded as other charges when processing the local sale settlement as instructed by PSD.

**722 Handling Bids (Continued)**

**I Applying Sale Proceeds**

The proceeds from the sale of the wool and mohair must be applied to the CCC account.

Settlement with producers must be based on the discounts applicable to the wool and mohair samples submitted to AMS and the adulteration lab.

The sales proceeds must not be applied to the wool and mohair loan as a principal plus interest repayment.

The sale proceeds must be deposited directly into NRRS according to 64-FI, using code “XXCOMMLOSA”.



**723 Completing Delivery**

**A Scheduling Delivery to Purchaser**

After the sale has been completed, the County Office must:

- schedule delivery of the wool and mohair to the purchaser
- issue CCC-691 to the producer, directing delivery to the purchaser F.O.B. purchaser conveyance at the storage location.

**B Supervising Delivery**

The County Office representative must:

- supervise the delivery, including weight and sampling, when applicable
- provide copies of applicable weight receipts and/or core test reports
- issue payment, as applicable.

## 723 Completing Delivery (Continued)

**C Completing Local Sale Processing**

The FSA representative supervising mohair and wool delivery at local sale must follow this table.

Step	Action
1	<p>Enter loan lot identification number.</p> <p>For graded mohair and wool:</p> <ul style="list-style-type: none"> <li>• ENTER “see attached”</li> <li>• attach a copy of the applicable core test report</li> <li>• attach a copy of CCC-930.</li> </ul> <p>For ungraded wool:</p> <ul style="list-style-type: none"> <li>• ENTER “ungraded wool”</li> <li>• attach a copy of CCC-930.</li> </ul>
2	Enter other applicable factors.
3	Enter net weight in pounds from scale ticket.
4	Enter date delivery was completed
5	Enter “sale” for type of delivery
6	<p>After delivery, the producer or the producer’s authorized agent shall date and sign CCC-691 agreeing to the following:</p> <ul style="list-style-type: none"> <li>• the quantity delivered</li> <li>• that a representative sample of the commodity has been drawn and inspected for determining grading and other factors on which settlement will be based.</li> </ul>
7	<p>FSA representative taking delivery will:</p> <ul style="list-style-type: none"> <li>• sign and date CCC-691</li> <li>• return the following to the County Office: <ul style="list-style-type: none"> <li>• CCC-691 for processing the settlement</li> <li>• CCC-930 and all other documentation received from AMS.</li> </ul> </li> </ul>

**724 Discounts for 2022 and Subsequent Crop Year Wool****A Ungraded Wool Discounts for Offsorts**

The following provides national CCC discounts for ungraded wool offsorts. Subtract the per pound discount from the applicable loan rate.

<b>Factor/Type/Description</b>	<b>National Discount Per Pound</b>
Bellies	\$0.20
Black Wool	\$0.36
Blackface	\$0.20
Crutchings	\$0.30
Locks/Tags	\$0.30
Pieces	\$0.20

**B Ungraded Wool Discounts for Length**

The following provides national CCC discounts for ungraded (greasy) wool based on the length of the wool below the 3-inch minimum. Subtract the per pound discount from the applicable loan rate.

<b>Length in Inches</b>	<b>National Discount Per Pound</b>
2.76 to 2.99	\$0.10
2.51 to 2.75	\$0.15
2.00 to 2.50	\$0.20
Under 2	\$0.25

Length discounts for ungraded wool apply to fleece wool **only**. Length discounts do **not** apply to offsorts that consist solely of lots or bags of the following:

- bellies
- pieces
- locks/tags
- crutchings.

**C Miscellaneous Discounts for Ungraded Wool**

The following provides national CCC discounts based on miscellaneous factors. Subtract the per pound discount from the applicable loan rate.

<b>Factor/Description</b>	<b>National Discount Per Pound</b>
Polypropylene Contamination	\$0.40
Unmerchantable	\$0.40

**725 Mohair Premiums and Discounts for 2022 and Subsequent Crop Years****A Mohair Grade Acronyms**

On May 5, 2017, mohair became eligible for nonrecourse MAL's and, if applicable, LDP's.

The following grade acronyms are used in this handbook to designate the different type grades of mohair.

<b>Acronym</b>	<b>Meaning</b>
FK	Fine Kid
GK	Good Kid
AK	Average Kid
FYG	Fine Young Goat
AYG	Average Young Goat
FA	Fine Adult
AA	Average Adult

**B Mohair Premiums and Discounts for Micron**

The following are premiums and discounts according to the type of mohair and specific micron range obtained from a core test report from a CCC-approved testing facility. Add or subtract, as applicable, the per lb. premium or discount from the \$4.20 loan rate according to the specific micron range obtained from the core test results.

<b>Type/Grade</b>	<b>Micron</b>	<b>Premium</b>	<b>Discount</b>
FK	< 26	\$4.30	
GK	26.1-28	\$3.07	
AK	28.1-30	\$2.54	
FYG	30.1-32	\$0.64	
AYG	32.1-34		
FA	34.1-36		\$1.48
AA	> 36		\$1.52

**725 Premiums and Discounts for 2022 Crop Year Mohair (Continued)****C Mohair Length Discounts**

The following provides discounts for mohair based on the length of the mohair. Subtract the per lb. discount from the \$4.20 loan rate according to the specific micron range obtained from the core test results.

<b>Length in Inches</b>	<b>Discount Per Lb. According to the Applicable Micron Range</b>						
	<b>&lt;26</b>	<b>26.1-28</b>	<b>28.1-30</b>	<b>30.1-32</b>	<b>32.1-34</b>	<b>34.1-36</b>	<b>Over 36</b>
Under 3	\$8.50	\$7.27	\$6.74	\$4.84	\$4.20	\$2.72	\$2.68
3.00-3.99	\$1.70	\$1.45	\$1.35	\$0.97	\$0.84	\$0.54	\$0.54
Over 6	\$1.28	\$1.09	\$1.01	\$0.73	\$0.63	\$0.41	\$0.40

**D Mohair Vegetable Matter Discounts**

The following provides discounts for mohair based on the vegetable matter content of the mohair. Subtract the per lb. discount from the \$4.20 loan rate according to the specific micron range obtained from the core test results.

<b>Vegetable Matter (%)</b>	<b>Discount Per Lb. According to the Applicable Micron Range</b>						
	<b>&lt;26</b>	<b>26.1-28</b>	<b>28.1-30</b>	<b>30.1-32</b>	<b>32.1-34</b>	<b>34.1-36</b>	<b>Over 36</b>
1 - 1.9%	\$0.85	\$0.73	\$0.67	\$0.48	\$0.42	\$0.27	\$0.27
2 - 4%	\$2.13	\$1.82	\$1.69	\$1.21	\$1.05	\$0.68	\$0.67
Over 4%	\$4.25	\$3.64	\$3.37	\$2.42	\$2.10	\$1.36	\$1.34

**725 Premiums and Discounts for 2022 Crop Year Mohair (Continued)****E Mohair Discounts for Kemp**

The following provides discounts for mohair based on the kemp content of the mohair. Subtract the per lb. discount from the \$4.20 loan rate according to the specific micron range obtained from the core test results.

<b>Medullated Fibers (%)</b>	<b>Discount Per Lb. According to the Applicable Micron Range</b>						
	<b>&lt;26</b>	<b>26.1-28</b>	<b>28.1-30</b>	<b>30.1-32</b>	<b>32.1-34</b>	<b>34.1-36</b>	<b>Over 36</b>
5.0 - 6.9%	\$0.85	\$0.73	\$0.67	\$0.48	\$0.42	\$0.27	\$0.27
7.0 % and Over	\$2.13	\$1.82	\$1.69	\$1.21	\$1.05	\$0.68	\$0.67
<b>Kempy Fibers (%)</b>							
0.5 - 0.69%	\$0.85	\$0.73	\$0.67	\$0.48	\$0.42	\$0.27	\$0.27
0.7% and Over	\$2.13	\$1.82	\$1.69	\$1.21	\$1.05	\$0.68	\$0.67

**726-799 (Reserved)**

## **Part 8 Loan or Payment Processing**

### **Section 1 General Provisions**

#### **800 Automated Procedures**

##### **A Automation Used in This Handbook**

Follow the instructions in 16-PS, PS directives, and User Guides for the following types of loan activity in CLPS:

- loanmaking
- loan repayments.

##### **B Wool and Mohair Loan Rates**

Commodity loan rates will be updated each crop year at the National level and no action is required in the County Office.

##### **C Automation Procedure**

Process wool and mohair MAL disbursements and loan repayments in CLPS according to 16-PS.

##### **D Wool and Mohair Loan Settlements**

Process wool and mohair loan settlements according to the current applicable procedure from PDD Automation until software is available in CLPS.

#### **801-849 (Reserved)**





**Section 2 LDP's**

**850 Wool and Mohair LDP's**

**A LDP Procedure**

Process wool and mohair LDP's in LDP according to 19-PS.

**851-899 (Reserved)**



## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

None

### Forms

This table lists the forms referenced in this handbook.

Number	Title	Display Reference	Reference
CCC-631	CCC Wool Testing Facility Certification and Application	223	222, 223
CCC-633 EZ	Loan Deficiency Payment Certification and Application	405	Text
CCC-633WM	Wool and Mohair Loan Quantity Certification and Worksheet	302	301, 302, 305, 525
CCC-638	Confirmation of Sale	722	720, 722
CCC-639	Competitive Bid Pricing Worksheet	722	722
CCC-677	Farm Storage Note and Security Agreement		307, 660
CCC-681-1	Authorization for Delivery of Loan Collateral for Sale		525, 600, 620, 630
CCC-683	Commodity Loan Seal		302, 303, 305, 500, 503
CCC-691	Commodity Delivery Notice		700, 720, 721, 722, 723
CCC-694-2	Acknowledgment of Commodity Certificate Purchase		660, Ex. 2
CCC-697	Request to Lock in a Market Loan Repayment Rate		601, 631, 660
CCC-902E	Farm Operating Plan for an Entity		3
CCC-930	AMS Inspection Certification of Quality Factors for Wool and Mohair	700	700, 721, 723
FSA-211	Power of Attorney		3, 660
FSA-321	Finality Rule and Equitable Relief		506, 507
FSA-578	Report of Acreage		201, 202
IRS-1099-G	Certain Government Payments		660
UCC-1	Financing Statement		302

**Reports, Forms, Abbreviations, and Delegations of Authority (Continued)****Abbreviations Not Listed in 1-CM**

This table lists abbreviations not listed in 1-CM.

<b>Approved Abbreviation</b>	<b>Term</b>	<b>Reference</b>
AMS	Agricultural Marketing Service	2
CC	State Communications Coordinator	2
CCE	Commodity Certificate Exchange	601, 631, 660, Ex. 2
CLPS	Commodity Loan Processing System	222, 301, 610, 611, 720, 800
COOC	County Office Outreach Coordinator	2
F.O.B.	free on board	720, 722, 723
IWTO	International Wool Textile Organization	222, 223, Ex. 3
OTIS	Outreach Tracking Information System	2
SOC	State Outreach Coordinator	2

**Redelegations of Authority**

Redelegation authority is provided in subparagraph 3 B, 16-AO, and 8-LP.

## Definitions of Terms Used in This Handbook

### Alternative Repayment Rate

The alternative repayment rate is the rate for wool loans that is determined and announced by CCC.

The repayment amount could be greater than the loan rate but less than principal plus interest.

### Beneficial Interest

Beneficial interest in the wool must:

- be in the producer tendering the wool as security for a loan
- always have been in the producer possession before the wool was sheared.

### Commodity Loan Gain

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

### Crop Year

Crop year means, for a commodity, the 12-month period that:

- begins on the first day of the eleventh calendar month before the month in which the final availability date for the applicable commodity falls
- ends on the final availability January 31 of the year following the applicable commodity is sheared.

### Exchange Rate

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 monthly CCC wool and mohair 30-day repayment rate.

### LDP

LDP's are payments made to producers who, although eligible to obtain a CCC loan, agree to forgo the loan in return for a payment on eligible wool.

## Definitions of Terms Used in This Handbook (Continued)

### Lot

A lot is defined as wool or mohair offered 1 time by the applicant in designated storage container.

### Lot Number

The lot number is the number assigned by the County Office that:

- begins with “1” and continues serially for each loan or LDP
- designates specific lots within a loan or LDP.

### Market Loan Gain

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

### Substituted Commodities

Substituted commodities mean commodities that are **not** sheared, or slaughtered by the eligible producer for the applicable crop year. Substituted commodities are **ineligible** for MAL's and/or LDP's.

### Third Party

A third party is a person or firm, other than CCC or the producer, that has control of a facility containing wool pledged as collateral for a price support loan.

### Turn-Around Loan

A 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.

### Unauthorized Disposition

Unauthorized disposition is the disposing of collateral under loan without prior written authorization from CCC.

**Definitions of Terms Used in This Handbook (Continued)****Unauthorized Removal**

Unauthorized removal is the movement of wool loan collateral:

- from the storage structure in which the wool was stored when the loan was approved to any other storage structure, whether or not this structure is located on the producer's farm
- without prior written authorization from CCC.

**Unshorn Pelt**

Unshorn pelt means the removed skin and attached wool from a slaughtered lamb that has never been shorn.

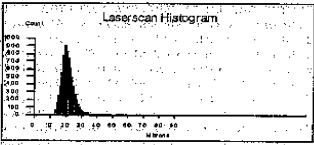







# Core Test Report Examples

## B Core Test for Graded Wool Example 1

The following is an example of a wool IWTO core test certificate from the New Zealand Wool Testing Authority.

NEW ZEALAND WOOL TESTING AUTHORITY LTD	
Cnr Bridge Street and Lever Street, PO Box 12065, Ahuriri, Napier, New Zealand. Telephone (06) 835-1086, Facsimile (06) 835-8473, E-Mail: testing@nzwt.a.co.nz	
Page 1	
Date 28 May 2003	
<b>IWTO TEST CERTIFICATE</b>	
Test No 1-00371903.P6	
Brand:	Greasy Wool
M-1201	
A-LINE	
Total Bales : 30	Gross Mass : 5596Kg
Bale Numbers : 1-30	Declared Tare : 30Kg
	Nett Mass : 5566Kg
<b>Yield Test Results</b>	<b>Calculated Commercial Yields</b>
Wool Base (IWTO-19)	% Kg
48.31 %	IWTO Scoured Yield at 16% Regain 56.7 3156
( 4 samples tested )	<b>IWTO Schlumberger Dry</b> 52.6 2928
Vegetable Matter Base (IWTO-19)	IWTO Scoured Yield at 17% Regain 57.2 3184
1.5 %	IWTO Clean Wool Content 55.4 3084
(Including 0.00 % Hard Heads and Twigs)	ASTM Clean Wool Fibre Present 53.8 2995
	Japanese Clean Scoured Yield @16% 54.5 3033
<b>Airflow (IWTO 28)</b>	<b>Colour (IWTO 56) ( 8 specimens )</b>
Mean Fibre Diameter: 20.8 um	X: 63.3 Y: 64.3 Z: 63.7
( 4 specimens )	Y-Z: 0.6 Sampled: 01 Apr 2003
<b>Laserscan (IWTO-12)</b>	
Mean Fibre Diameter 21.0 um	
( 8 specimens )	
<b>ADDITIONAL INFORMATION...</b>	
Coefficient of Variation: 20.80 %	
% Fibres > 30 um: 2.95 %	
<b>Length/Strength (IWTO - 30)</b>	
Mean Staple Length ( 69 Staples) 88 mm	<b>Distribution of position of break</b>
Coefficient of Variation Staple Length 16 %	Tip Middle Base
Mean Staple Strength ( 55 Staples) 29 N/Kt	7% 76% 17%
	
	
<p>The ORIGINAL and any OFFICIAL COPY of this Certificate are issued in accordance with the stated Test Method(s) and any directly associated Regulations. By authorising the application of the NZWTA Ltd Seal, we hereby certify that the test results are within the precision limits of the Test Method(s) declared. As far as is permissible by law, no other warranty is expressed or implied. On request, NZWTA Ltd will make available sampling, weighing and/or testing details to any bona fide bearer or transferee of this Certificate. Photocopies and other reproductions are NOT recognised as Certificates. THIS CERTIFICATE SHALL BE RENDERED VOID IF AMENDED OR ALTERED. ALL RIGHTS RESERVED.</p>	
	
	
<p>I.W.T.O. Licensed Laboratory #3 2000</p>	

