

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency  
Washington, DC 20250

Loans and Loan Deficiency  
Payments for Honey  
2-LP Honey (Revision 11)

Amendment 10

Approved by: Deputy Administrator, Farm Programs



**Amendment Transmittal**

**A Major Changes**

Subparagraph 120 B has been amended to cover crop years 2008 through 2012.

Subparagraph 861 A has been amended to update 2009 and 2010 crop premiums and discounts.

**B Effective Rate**

April 1, 2010 is the effective date of these premiums and discounts.

**C Reasons for Amendment**

Exhibits 2 and 16 have been amended to:

- remove the 2006 crop year schedule of discounts as applicable
- remove the 2007 crop year specific grade premiums and discounts as applicable
- add crop years 2009 and 2010 schedule of discounts.

Page Control Chart		
TC	Text	Exhibit
	3-1, 3-2	2, pages 1, 2
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## Part 3 Loanmaking Provisions

### 120 Basic Loan Provisions

#### A Basic Loanmaking Provisions

A marketing assistance loan is available for honey stored on the farm and will be:

- considered farm-stored loans
- made on CCC-677.

For honey stored on the farm, use CCC-633 (Honey) for producers to:

- request honey loans
- certify the following:
  - quantity
  - single predominant floral source
  - color.

Complete CCC-633 (Honey) according to paragraph 125.

Use the applicable crop year loan rate in Exhibit 16 to calculate the loan amount.

**Note:** Additional containers of honey shall not be added to lots of honey pledged as collateral at any time after the loan is disbursed.

Distribute the following to the contact producer:

- CCC-601
- the approved CCC-677
- copy of the transaction summary report.

#### \*--B 2008 Through 2012 Crop Honey Loan Rate

The national average loan rate for the 2010 through 2012 crop year honey is 69 cents per pound. For 2008 through 2009 crop year honey the rate was 60 cents per pound.

County Offices shall use 69 cents per pound to calculate initial disbursements, additional disbursements, and transfers for the 2010 through 2012 crop year honey.--\*

120 Basic Loan Provisions (Continued)

**C Initial Loan Requests**

Eligible producers may obtain a honey loan up to 100 percent of certified quantity stored in eligible containers and stored in approved farm storage.

**D Loan Number Register**

APSS will assign a loan number sequentially with LDP numbers for each crop year.

**Note:** If a manual loan is prepared for entry into APSS at a later date, assign a 90000 series number sequentially with the 90000 series LDP numbers obtained from CCC-676 for the applicable crop year.

**E Joint Loans and LDP's**

Loans and LDP's must be disbursed jointly if the honey is jointly owned or stored in the same eligible container.

**F Maturity Date**

The loan will mature 9 months after the month in which CCC-677 is approved by CCC.

\*--The following table shows applicable maturity months. Loans **cannot** be extended.

Month Disbursed/Approved	Maturity Month (Last Day)
June	March
July	April
August	May
September	June
October	July
November	August
December	September
January	October
February	November
March	December
April	January
May	February

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861 Completing Settlements

A Completing Local Sale Processing

The County Office shall:

- process local sale settlements through APSS according to Part 9
- enter weight, grade, sale information on CCC-691, Part B according to paragraph 860 and other applicable information received from AMS on FV-146
- \*-apply the following 2009 crop honey premiums and/or discounts based on the color test received from AMS

Class	Premiums (cents/lbs.)	Discounts (cents/lbs.)
White	4.3	0
Extra Light Amber	0.6	0
Light Amber	0	-5.4
Amber and Nontable	0	-10.1

- apply the following 2010 crop honey premiums and/or discounts based on the color test received from AMS

Class	Premiums (cents/lbs.)	Discounts (cents/lbs.)
White	3.3	0
Extra Light Amber	0	-0.4
Light Amber	0	-4.5
Amber and Nontable	0	-8.0

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- **not** do either of the following:
  - reduce the settlement rate to less than zero
  - use the sale proceeds as the settlement value of the commodity.

**861 Completing Settlements**

**B Submitting Documents to KCFO**

County Offices shall submit local sale and settlement documents to KCFO at the following address:

\*--FSA/FCMO--\*  
STOP 8578  
PO BOX 419205  
KANSAS CITY, MO 64141-6205.

**862-900 (Reserved)**

## Definitions of Terms Used in This Handbook

### \*--Alternative Repayment Rate

The alternative repayment rate is the rate for honey 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 honey must:

- be in the producer tendering the honey as security for a loan
- always have been in the producer before this honey was extracted.

### Class

Class is the rating of honey based on quality.

Eligible honey shall be segregated into 2 classes for FSA purposes:

- table
- nontable.

**Definitions of Terms Used in This Handbook (Continued)****Crop Year**

The crop year is the calendar year in which honey is extracted.

The loan season starts April 1 and continues through March 31 of the following year.

**Example:** Honey extracted:

- \*--in January, February, and March 2010 is **not** eligible for loan until April 1, 2010, and is considered 2010 crop honey
- by December 31, 2009, is eligible for loan through March 31, 2010, and is considered 2009 crop honey.--\*

**Extracted Honey**

Extracted honey is honey which has been physically removed from the honeycomb.

**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 honey.

**Lot**

A lot is defined as honey offered 1 time by the applicant, in 1 container size, of 1 declared color, of 1 declared floral source, and stored at 1 location.

**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.

**\*--2010 Through 2012 Support Rates for Honey Loans**

**A 2010 Through 2012 Crop Loan Rate and Survey Price**

The national average loan rate for the 2010 through 2012 crop year honey is 69 cents per pound.

County Offices shall use 69 cents per pound to calculate initial disbursements, additional disbursements, and transfers for the applicable crop year honey loans.

Monthly CCC honey survey prices for MAL's can be found on the FSA Internet at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=dsa>. Scroll down to find "Monthly CCC Honey 30-day Repayment Rate" located in the center of the web page.

**B 2009 and 2010 Crop Settlement Values**

The following tables list the premiums and discounts that shall be applied to the national average loan rate to calculate settlements of delivered loan collateral to CCC for 2009, and 2010 crop--\* honey.

<b>Class</b>	<b>Premiums/Discounts for 2009 Crop (cents/lbs.)</b>
White	*--4.3
Extra Light Amber	0.6
Light Amber	-5.4
Amber and Nontable	-10.1--*

<b>Class</b>	<b>Premiums/Discounts for 2010 Crop (cents/lbs)</b>
White	*--3.3
Extra Light Amber	-0.4
Light Amber	-4.5
Amber and Nontable	-8.0--*

