

FSA News

CRAVEN-CARTERET COUNTY FSA

304 Industrial Drive
New Bern, NC 28562
Phone: (252) 637-3567, Ext. 2

Hours
Monday – Friday
8:00 AM – 5:00 PM

August 10, 2006

R. Kay Yates, CED
kay.yates@nc.usda.gov

County Committee
David Parker, Chair
Robert M. Riggs, Vice-Chair
Dietrich Kilpatrick
L. M. Simmons
James A. Whitford
Rexine A. Corbett, Advisor

2006 BENEFICIAL INTEREST (BI)

To obtain Marketing Assistance Loans (MAL), previously referred to as commodity loans, producers must maintain beneficial interest in the commodity at the time of request. Producers should complete form CCC-633EZ, page 1, prior to harvest before requesting a loan deficiency payment (LDP). CCC has determined that if a producer has control of the commodity, it is assumed that the producer has risk of loss of the commodity; therefore, the risk of loss component is removed when determining whether a producer has beneficial interest in the commodity. Beneficial interest includes:

1. Control of the commodity
 - a. The ability to make all decisions affecting the commodity.
 - b. All risk of loss associated with producing and maintaining the quality and quantity of the commodity.
2. Title to the commodity
 - a. A producer may be considered to have title to the commodity if the producer has not sold or delivered the commodity for the market, including the delivery of warehouse receipts.

Unapproved Facilities: Producers who deliver commodities to a facility where the commodity is commingled with commodities from other producers are ineligible for an MAL or LDP, if the facility is not authorized by State or Federal law to store such commodities for the benefit of producers. Therefore, delivery of commodities to a location that is not considered a CCC-approved or State or Federally licensed facility will result in the loss of beneficial interest in the commodity on the date of physical delivery.

Deliveries of a commodity to entities such as a dairy, feedlot, pit, ethanol plant, wool pool, feed mill, or any other unapproved storage facility, will result in the loss of beneficial interest on the date of delivery, **regardless** of any other action or agreement between such an entity and the producer.

Seed & Hybrid Contract Producers: Commodities produced under a contract in which the title to the seed remains with the entity and the entity provides seed to the producer, including contracts for the production of hybrid seed and other specialty seeds, are eligible to be pledged for a loan or LDP. BI will be considered lost the earlier of either the date a payment is received for the commodity or the commodity is delivered to the contract company.

Purchased Commodity: A person who purchases or otherwise acquires a commodity from a producer under any circumstances does not have BI in the commodity regardless if the purchase is made before or after harvest of the commodity.

Deceased Producer: Upon death of a producer, CCC will consider an estate, heirs of the deceased, or a person to whom title to a commodity has been passed by state law, to have BI in a commodity produced by the deceased producer.

Craven-Carteret County FSA
304 Industrial Drive
New Bern, NC 28562
Official Business



United States
Department of
Agriculture



**TUESDAY, AUGUST 22, 2006, AT 6:30 P.M
PRODUCER MEETING**

**CONCERNING LOAN DEFICIENCY PAYMENTS (LDPs) AND LOANS
Craven County Agricultural Building, 304 Industrial Dr, New Bern, NC**

Ralph Price, Price Support Division, NC State FSA Office, will be speaking at this meeting.
CHANGES HAVE BEEN MADE THAT PRODUCERS NEED TO BE AWARE OF. FAILURE TO FIND OUT
ABOUT THESE CHANGES COULD COST YOU \$\$\$

Please contact the Craven County Cooperative Extension Service at 633-1477 if you plan to attend.

FARM STORAGE FACILITY LOANS (FSFL)

FSFL PROVIDES LOW-INTEREST FINANCING FOR PRODUCERS TO BUILD OR UPGRADE FARM STORAGE AND HANDLING FACILITIES. The loan must be approved by the County Committee before any site preparation or construction takes place. Several types of new cribs, bins, and storage structures and new electrical and safety equipment are eligible for FSFL. The maximum loan amount is \$100,000. The borrower must produce corn, soybeans, wheat or grain sorghum and must demonstrate a storage need based on a 3-yr-average minus any current storage available. A 15% cash down payment is needed and the loan term is 7 years. Loans are repaid in equal amortized installments. The interest rate, currently 5.125%, is fixed for the loan term based on the rate in effect during the month the loan is approved. For more info, please call or visit your FSA Office.

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.