



United States
Department of
Agriculture

Farm Service Agency

**Montana State
Producer Handbook**



Fact Sheet

January 2007

**Wool and Mohair Marketing
Assistance Loan and Loan Deficiency
Payments Program**

Wool and mohair producers have until January 31, 2007 to apply for either a nine-month, nonrecourse marketing assistance loan or a Loan Deficiency Payment (LDP) for 2006-crop wool or mohair.

The national loan rate for ungraded wool offered, as collateral will secure a nonrecourse loan made at a rate of 40 cents per pound. For graded wool, loans will be based on the statutory rate of \$1.00 per pound. Producers who desire a nonrecourse loan for mohair will receive the statutory rate of \$4.20 per pound. Loan rates will be adjusted based on a schedule of quality premiums and discounts applicable to the 2006 marketing year. The repayment amount per pound for mohair and for both graded and ungraded wool will be announced at close of business each Tuesday, and can be found on the Montana FSA website at www.fsa.usda.gov/mt.

For Montana, the loan rates are divided into two regions by county. Producers should pick the correct region for their operation and then check the posted rates at:

<http://www.fsa.usda.gov/dafp/psd/MKTPRICLEAN2.htm> for region 2 counties, and at: <http://www.fsa.usda.gov/dafp/psd/MKTPRICLEAN3.htm> for region 3 counties for the most up-to-date prices and information.

REGION 2

- Big Horn
- Carbon
- Carter
- Custer
- Daniels
- Dawson
- Fergus
- Fallon
- Gallatin
- Garfield
- Golden Valley
- McCone
- Musselshell
- Park
- Petroleum
- Phillips
- Powder River
- Prairie
- Richland
- Roosevelt
- Rosebud
- Sheridan
- Stillwater
- Sweet Grass
- Treasure Valley
- Wheatland
- Wibaux
- Yellowstone

REGION 3

- Beaverhead
- Blaine
- Broadwater
- Cascade
- Chouteau
- Deer Lodge
- Flathead
- Glacier
- Granite
- Hill
- Jefferson
- Judith Basin
- Lake
- Lewis and Clark
- Liberty
- Lincoln
- Madison
- Meagher
- Mineral
- Missoula
- Pondera
- Powell
- Ravalli
- Sanders
- Silver Bow
- Teton
- Toole

Instead of obtaining a loan, producers may request LDPs on these commodities. The LDP rates will be the difference between the per pound loan rate and the weekly announced repayment rate. These repayment prices reflect prices being offered in the current market.

Along with honey, wool and mohair marketing loan gains and LDPs received by producers for each crop year are subject to one

\$75,000 payment limitation per person per crop year. The LDP rate computed for the date of sale will be the rate producers will receive.

Wool and mohair nonrecourse marketing assistance loans provide eligible producers with interim financing on their production and facilitate the orderly marketing of the commodity throughout the year. Instead of selling the wool or mohair immediately after shearing, a nonrecourse loan allows a producer to store the production, pledging the commodity itself as collateral.

Forms Needed to Apply for a Loan or LDP

- Producers should file CCC-633EZ, page 1 to state their intention for requesting an LDP before beneficial interest is lost.
- Wool and Mohair loans – form CCC-633WM
- Unshorn pelts are only eligible for a Loan Deficiency Payment (LDP). CCC-633EZ, page 4 is the form used to request an LDP.

Requirements for a Loan or LDP

- Graded wool loans or LDPs require a core test report or certificate from a County Committee approved testing facility.
- Acceptable production evidence is required for field direct LDPs, spot

checks, and additional disbursements.

- Producers are required to file an accurate acreage report for all cropland acres.

eLDP

The electronic Loan Deficiency Payment Service (eLDP) is a secure online Internet-based service allowing producers to request LDPs using the Internet and receive payment by direct deposit. eLDPs are available on ungraded wool, mohair, and unshorn pelts.

eLDPs are not available for graded wool. Requests for graded wool must be made at the local county FSA office. Please refer to the "***eLDP – Loan Deficiency Payments Online***" fact sheet for further information on eLDP.

For More Information

For further information on this and other FSA programs, contact your local FSA office, or visit Montana FSA's home page at:

<http://www.fsa.usda.gov/mt>

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