

For: State Offices and Service Centers

**2008 Final Counter-Cyclical (CC) Payment Calculations for Wheat, Barley, and Oats**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

The Food, Conservation, and Energy Act of 2008 (2008 Act) provides for CC payments for covered commodities and oilseeds beginning with crop years 2008 through 2012. Partial 2008 crop year advance CC payments were not issued for wheat, barley, or oats.

**B Purpose**

This notice:

- provides a detailed explanation about determining CC payment rates
- informs State and County Offices that final CC payments will **not** be made for wheat, barley, and oats for crop year 2008 because their effective prices exceed their respective target prices.

**2 Calculating 2008 Final CC Payments for Wheat, Barley, and Oats**

**A Zero Rate for Wheat, Barley, and Oats**

Final 2008 CC payment rates for wheat, barley, and oats are zero because their effective prices exceeds their respective target prices. The effective price equals the direct payment rate, plus the higher of the national average loan rate or the national average farm price.

<b>Disposal Date</b>	<b>Distribution</b>
July 1, 2010	State Offices; State Offices relay to Service Centers

## Notice DCP-216

### 2 Calculating 2008 Final CC Payments for Wheat, Barley, and Oats (Continued)

#### A Zero Rate for Wheat, Barley, and Oats (Continued)

The following table illustrates the calculation for wheat, barley, and oats.

Item	Wheat	Barley	Oats
	Dollars Per Bushel		
Target Price	3.92	2.24	1.440
National Average Loan Rate	2.75	1.85	1.330
National Average Farm Price	6.78	3.82	3.150
Higher of Loan Rate or Farm Price	6.78	3.82	3.150
Direct Payment Rate	0.52	0.24	0.024
Effective Price	7.30	4.06	3.174
Final CC Payment Rate	0	0	0

#### B 2008 CC Partial Payments for Wheat, Barley, and Oats

The 2008 Act provides for an advance partial CC payment in December 2008 and a final payment **after** the close of the marketing year, but not earlier than October 1, 2009. Advance partial 2008 CC payments were **not** paid on wheat, barley, and oats.

#### C Update to CC Payment Parameter File

The Payment Parameter File:

- will be updated to reflect current payment rates and final payment dates when County Release No. 672 is installed
- information can be printed according to 1-CM.

#### D Web Site for National Average Prices Received by Producers

The national average prices received by producers for contract commodities can be found on the FSA Internet at <http://www.fsa.usda.gov/>.