

For: State Offices and Service Centers

**2008 Final Counter-Cyclical (CC) Payment Rates for  
Corn, Sorghum, Soybeans, and Upland Cotton**

Approved by: Acting 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.

A partial 2008 crop year advance CC payment was issued in February 2009 for upland cotton.

Corn, sorghum, and soybeans did not receive a partial 2008 crop year CC advance payment.

**B Purpose**

This notice:

- provides a detailed explanation of how CC payment rates are determined
- provides instructions on issuing 2008 final CC upland cotton payments
- provides guidance for issuing payments to producers with special circumstances
- informs State and County Offices:
  - of the final CC payment rate for upland cotton
  - that 2008 final CC payments will **not** be issued for corn, sorghum, and soybeans, because their effective price exceed their respective target price
  - that 2008 final CC payments for upland cotton can be issued as of Wednesday, October 14, 2009
  - that software will be transmitted on Tuesday, October 13, 2009, according to a forthcoming information bulletin.

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

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### 2 Calculating 2008 Final CC Payment Rates for Corn, Sorghum, Soybeans, and Upland Cotton

#### A Payment Rates for Corn, Sorghum, Soybeans, and Upland Cotton

The following table illustrates calculations for 2008 final CC payment rates for corn, sorghum, soybeans, and upland cotton. Upland cotton is due a final payment because the effective price is below the target price. Corn, sorghum, and soybeans are **not** due a final payment because their effective price exceeds their respective target price.

**Note:** The effective price equals the direct payment rate, plus the higher of the national average loan rate or the national average farm price received by producers.

The following table illustrates the calculation for corn, sorghum, soybeans, and upland cotton.

Item	Corn	Sorghum	Soybeans	Upland Cotton
	bu	bu	bu	lb.
<b>Target Price</b>	2.63	2.57	5.80	0.7125
National Average Loan Rate	1.95	1.95	5.00	0.5200
National Average Farm Price	4.06	3.20	9.97	0.4780
Higher of Loan Rate or Farm Price	4.06	3.20	9.97	0.5200
Direct Payment Rate	0.28	0.35	0.44	0.0667
<b>Effective Price</b>	4.34	3.55	10.41	0.5867
<b>Final CC Payment Rate</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.1258</b>

#### B 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 [www.fsa.usda.gov](http://www.fsa.usda.gov).

#### C Update to CC Payment Parameter File

Software to update the final payment rates and the final payment dates will be:

- transmitted on Tuesday, October 13, 2009, according to a forthcoming Information Bulletin
- included in County Release No. 679.

Payment parameter information can be printed according to 1-CM.

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### 3 Issuing Payments to Producers With Special Circumstances

#### A Bankruptcy

County Offices shall follow procedures in 58-FI, paragraph 176 for producers who have filed bankruptcy.

#### B Deceased Producers

County Offices shall follow the policy in 1-DCP, paragraph 400 for deceased producers.

#### C Successor-in-Interest

County Offices shall follow the policy in 1-DCP, paragraph 398 for successor-in-interest.

### 4 Action

#### A State Office Action

State Offices shall ensure that County Offices:

- are informed of the contents of this notice
- follow directions in the forthcoming information bulletin for loading the program parameter file.

#### B County Office Action

County Offices shall:

- follow directions in the forthcoming information bulletin to ensure that the new program parameter file is loaded to the County Office system
- print the 2008 CC program parameter file information according to 1-CM
- after completing the instructions in the information bulletin, begin issuing 2008 final CC upland cotton payments, as applicable.