

For: State Offices and Service Centers

2009 Final DCP Counter-Cyclical (CC) Payment Calculations for Wheat, Barley, and Oats

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (2008 Act) provides for DCP CC payments for covered commodities and oilseeds beginning with crop years 2008 through 2012. Partial 2009 crop year advance DCP CC payments were **not** issued for wheat, barley, or oats.

B Purpose

This notice:

- provides a detailed explanation about determining DCP CC payment rates
- informs State Offices and Service Centers that final CC payments will **not** be made for wheat, barley, and oats for crop year 2009 because their effective prices exceed their respective target prices.

2 Calculating 2009 Final DCP CC Payments for Wheat, Barley, and Oats

A Zero Payment Rate for Wheat, Barley, and Oats

Final 2009 DCP CC payment rates for wheat, barley, and oats are zero because their effective prices exceed 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.

Disposal Date	Distribution
July 1, 2011	State Offices; State Offices relay to Service Centers

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2 Calculating 2009 Final DCP CC Payments for Wheat, Barley, and Oats (Continued)

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

The following table provides 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	4.87	2.61	2.020
Higher of Loan Rate or Farm Price	4.87	2.61	2.020
Direct Payment Rate	0.52	0.24	0.024
Effective Price	5.39	2.85	2.044
Final CC Payment Rate	0	0	0

B 2009 DCP CC Partial Payments for Wheat, Barley, and Oats

The 2008 Act provides for the possibility of a partial CC payment in December 2009. Partial 2009 CC payments were **not** paid on wheat, barley, and oats.

C Web Site for National Average Prices Received by Producers

The national market year average prices received by producers for contract commodities can be found by:

- accessing the FSA Internet home page at <http://www.fsa.usda.gov/>
- completing the following:
 - ENTER “foa” in the search bar and CLICK “Go”
 - select “Counter-Cyclical Payment Rates and Average Market Prices”.