

For: State Offices and Service Centers

**Partial 2010 Crop Year DCP Counter-Cyclical (CC) Payments**

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 for crop years 2008 through 2012.

**B Purpose**

This notice:

- provides an explanation of how CC payment rates are determined
- informs State and County Offices that 2010 partial CC payments will **not** be issued for any crops because their effective price exceeds their respective target price.

<b>Disposal Date</b>	<b>Distribution</b>
March 1, 2012	State Offices; State Offices relay to Service Centers

**Notice DCP-247**

**2 Calculating 2010 Partial Payment Rates**

**A 2010 Partial Payment Rates**

The following provides calculations for 2010 partial CC payment rates for all crops. The crops are **not** due a **partial** 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 illustrates the partial payment calculation for all crops.

Item	Barley	Canola	Large Chickpeas	Small Chickpeas	Corn	Upland Cotton	Crambe
	\$/bu.	\$/lb	\$/lb	\$/lb	\$/bu.	\$/lb	\$/lb
<b>Target Price</b>	2.63	0.1268	0.1281	0.1036	2.63	0.7125	0.1268
National Average Loan Rate	1.95	0.1009	0.1128	0.0743	1.95	0.5200	0.1009
National Average Farm Price <sup>1/</sup>	3.00	0.2000	0.2300	0.2300	5.30	0.8200	0.3500
Higher of Loan Rate or Farm Price	3.00	0.2000	0.3090	0.2300	5.30	0.8200	0.3500
Direct Payment Rate	0.24	0.0080	N/A	N/A	0.28	0.0667	0.0080
<b>Effective Price</b>	3.24	0.2080	0.3090	0.2300	5.58	0.8867	0.3580
Payment Rate	0	0	0	0	0	0	0
<b>Partial CC Payment Rate (40 percent)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Item	Dry Peas	Flaxseed	Lentils	Mustard Seed	Oats	Peanuts	Rapeseed
	\$/lb	\$/bu.	\$/lb	\$/lb	\$/bu.	\$/lb	\$/lb
<b>Target Price</b>	0.0832	7.1008	0.1281	0.1268	1.790	0.2475	0.1268
National Average Loan Rate	0.0540	5.6504	0.1128	0.1009	1.390	0.1775	0.1009
National Average Farm Price <sup>1/</sup>	0.0950	12.1408	0.2810	0.2000	2.300	0.2300	0.2500
Higher of Loan Rate or Farm Price	0.0950	12.1408	0.2810	0.2000	2.300	0.2300	0.2500
Direct Payment Rate	N/A	0.4480	N/A	0.0080	0.024	0.0180	0.0080
<b>Effective Price</b>	0.0950	12.5888	0.2810	0.2080	2.324	0.2480	0.2580
Payment Rate	0	0	0	0	0	0	0
<b>Partial CC Payment Rate (40 percent)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1/</sup> The mid-point of the forecast marketing year average price, World Agricultural Supply and Demand Estimates and Internal USDA projections as of January 12, 2011.

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**2 Calculating 2010 Partial Payment Rates (Continued)**

**A 2010 Partial Payment Rates (Continued)**

Item	Long Gr. Rice	Med. Gr. Rice	Safflower	Sesame	Grain Sorghum	Soybeans	Sunflower Seed
	\$/lb	\$/lb	\$/lb	\$/lb	\$/bu.	\$/bu.	\$/lb
<b>Target Price</b>	0.1050	0.1050	0.1268	0.1268	2.63	6.00	0.1268
National Average Loan Rate	0.0650	0.0650	0.1009	0.1009	1.95	5.00	0.1009
National Average Farm Price <sup>1/</sup>	0.1100	0.1750	0.2000	0.3060	5.50	11.70	0.2120
Higher of Loan Rate or Farm Price	0.1100	0.1750	0.2000	0.3060	5.50	11.70	0.2120
Direct Payment Rate	0.0235	0.0235	0.0080	0.0080	0.35	0.44	0.0080
<b>Effective Price</b>	0.1335	0.1985	0.2080	0.3140	5.85	12.14	0.2200
Payment Rate	0	0	0	0	0	0	0
<b>Partial CC Payment Rate (40 percent)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Item	Wheat						
	\$/bu.						
<b>Target Price</b>	4.17						
National Average Loan Rate	2.94						
National Average Farm Price <sup>1/</sup>	5.65						
Higher of Loan Rate or Farm Price	5.65						
Direct Payment Rate	0.52						
<b>Effective Price</b>	6.17						
Payment Rate	0						
<b>Partial CC Payment Rate (40 percent)</b>	<b>0</b>						

<sup>1/</sup> The mid-point of the forecast marketing year average price, World Agricultural Supply and Demand Estimates and Internal USDA projections as of January 12, 2011.

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### 2 Calculating 2010 Partial Payment Rates (Continued)

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

The national market year average prices received by producers for contract commodities may 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”.

### 3 Action

#### A State Office Action

State Offices shall ensure that County Offices are informed of the contents of this notice.

#### B County Office Action

County Offices are advised that 2010 partial CC payments will **not** be issued for any crops because their effective price exceeds their respective target price.