

**For:** State and County Offices

**2010 Partial DCP Counter-Cyclical (CC) Payments for Peanuts**

**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 peanuts for crop years 2008 through 2012.

It has been determined that peanuts are due a 2010 DCP CC partial payment because the effective price is below the target price.

**B Purpose**

This notice:

- informs State and County Offices:
  - of the 2010 partial CC payment rate for peanuts
  - that the 2010 partial CC payments for peanuts are scheduled to start processing on or about Friday, June 10, 2011
  - DCP CC payment and overpayment reports are available through the Common Payment Reports System and the DCP/ACRE Payments Menu according to subparagraph 3 A
- provides:
  - a detailed explanation of how the 2010 partial CC payment rate is determined
  - instructions on issuing 2010 partial CC peanut payments
  - guidance for issuing payments to producers with special circumstances.

<b>Disposal Date</b>	<b>Distribution</b>
June 1, 2012	State Offices; State Offices relay to County Offices

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### 2 Calculating 2010 Partial CC Payment Rate for Peanuts

#### A 2010 Partial CC Payment Rate for Peanuts

The following provides the calculation for the 2010 partial CC payment rate for peanuts. Peanuts are due a partial payment because the projected effective price is below the target price.

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

The following illustrates the 2010 partial CC payment rate calculation.

Item	Peanuts
	\$/lb
<b>Target Price</b>	0.247500
National Average Loan Rate	0.177500
Projected National Average Farm Price	0.223000
Higher of Loan Rate or Farm Price	0.223000
Direct Payment Rate	0.018000
<b>Projected Effective Price</b>	0.241000
<b>Payment CC Rate (Target Price Minus Projected Effective Price)</b>	0.006500
<b>Partial CC Payment Rate (40 Percent)</b>	0.002600

#### B 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”.

#### C Update to CC Payment Parameter Table

The National Office will update the Payment Parameter Table with the 2010 partial CC payment rate for peanuts.

#### D Repayment of Overpayments

Under the 2008 Act, producers are to be reminded that they are required to repay any amount by which the partial payment exceeds the final CC payment determined after the end of the marketing year.

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### 3 DCP CC Payment Reports

#### A DCP CC Payment Reports

The DCP CC payment reports are available according to the following.

Access Through	Available Payment Reports	Handbook	Paragraph
DCP-ACRE Payment Menu		2-DCP (Rev. 1)	218-220
	Estimated Calculated Payment Report		221
Common Payment Reports System		9-CM	52
	Submitted Payment Report		63
	Submitted Overpayment Report		64
	Pending Overpayment Report		65
	Nonpayment/Reduction Report		66
	Insufficient Funds Report		67
	Payments Computed to Zero Report		68
	Payment History Report - Summary		69
	Payment History Report - Detail		70

#### B Insufficient Funds Report

The Insufficient Funds Report:

- is available through the Common Payment Reports System and provides a report of payments that could not be processed because sufficient funds were not available at the time the payments were being processed
- should be used to determine if a County Office does not have enough available e-funds to provide for processing all producer payments.

County Offices should regularly monitor the Insufficient Funds Report and immediately notify the State Office that additional funds should be allocated so producer payments are processed timely.

See 9-CM, paragraph 67 for information on the Insufficient Funds Report.

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### 4 Issuing Payments to Producers With Special Circumstances

#### A Bankruptcy

County Offices shall see 58-FI, paragraphs 177 and 330 for producers who have filed bankruptcy.

#### B Deceased Producers

County Offices shall follow the policy in 1-DCP (Rev. 3), paragraph 400 for deceased producers.

#### C Successor-in-Interest

County Offices shall follow the policy in 1-DCP (Rev. 3), paragraph 398 for successor-in-interest.

### 5 State and County Office Action

#### A State Office Action

State Offices shall:

- ensure that County Offices are informed of the contents of this notice
- allocate additional DCP CC e-funds as needed.

#### B County Office Action

County Offices:

- are advised that 2010 partial CC payments for peanuts are scheduled to start processing on or about Friday, June 10, 2011, for producers that selected to receive a partial payment
- shall follow procedure in 2-DCP (Rev. 1), Part 5 for payment and overpayment processing
- shall see subparagraph 3 A for available payment and overpayment reports
- shall monitor the Insufficient Funds Report and notify the State Office when additional DCP CC e-funds are needed
- shall remind producers of the potential for having to repay the partial payment.