

For: State and County Offices

January 2004 Commodity Loan Interest Rates

Approved by: Controller, CCC



1 Announcing Commodity Loan Interest Rate Change

A Background

Under provisions of the Federal Agriculture Improvement and Reform Act of 1996, as amended, 1996 and subsequent crop year commodity loans will accrue interest at a rate 1 percentage point higher than the CCC borrowing interest rate.

The interest rate in effect on January 1 is also CCC's rollover interest rate. The interest rate on commodity loans with an outstanding balance on December 31 is rolled over to the January interest rate. The January interest rate on those "rolled over" loan balances will remain in effect until the loan is either repaid, forfeited, or the succeeding January 1 arrives, whichever is first.

B Purpose

This notice announces CCC programs' various interest rates for January 2004.

C Applicability

These interest rates:

- apply to all regular commodity loans disbursed during January 2004 as specified in subparagraph D
- apply to all regular commodity loans with outstanding balances as of December 31 as specified in subparagraph D
- are subject to adjustment each succeeding January 1, except where noted.

Disposal Date	Distribution
March 1, 2004	State Offices; State Offices relay to County Offices

Notice FI-2621

1 Announcing Commodity Loan Interest Rate Change (Continued)

D Interest Rates

The interest rate for January is:

- 1.375 percent per annum for 1995 and prior crop year commodity loan borrowings
- 2.375 percent per annum for 1996 and subsequent crop year commodity loan borrowings.