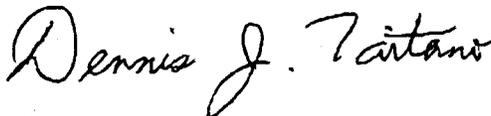


For: State and County Offices

January 2007 Commodity Loan Interest Rates

Approved by: Acting 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 the January 2007 various interest rates for CCC programs.

C Applicability

These interest rates:

- apply to all regular commodity loans disbursed during January 2007 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.

D Interest Rates

The interest rate for January is:

- 5.000 percent per annum for CCC borrowing rate-based interest charges
- 6.000 percent per annum for crop year commodity loans.

Disposal Date	Distribution
February 1, 2007	State Offices; State Offices relay to County Offices