

For: State and County Offices

Administrative Refund for 1998 Honey Recourse Loans

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

The Omnibus Consolidated and Emergency Supplemental Appropriation Act, 1999, provided 9-month recourse loans to producers of 1998 crop honey. This program was mandated to be operated on a no-net-cost-basis, which necessitated a \$.009 per pound service fee assessed at time of loan disbursement.

Section 3018 of the 1999 Emergency Supplemental Appropriation Act, dated May 21, 1999, (the ERA) authorized a refund to honey producers for the fixed administrative cost included in the service fee.

The new adjusted service fee, less the administrative cost, is \$.0022 per pound.

B

Purpose

This notice provides instructions to State and County Offices for issuing refunds to producers for 1998 crop honey recourse loans.

<p>Disposal Date</p> <p>January 1, 2000</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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Notice LP-1694

2 Action

A

Effective Date

Upon receipt of this notice, County Offices shall issue refund payments to producers who obtained 1998 crop recourse honey loan. **All** refunds shall be issued by September 15, 1999.

B

Refund Rate

The administrative refund rate for 1998 honey loans is \$.0068 per pound.

Example: 5,000 lbs. x \$.0068 = \$34.00 refund due producer.

C

Processing Refunds

All refunds shall be processed:

- immediately upon receipt of this notice
- through the Accounting Application, Check Writing Function
- using the non-automated program code 98HONYLNACRF.

For honey loans where refund is **not** disbursed by September 15, 1999, the honey loan **must** be reversed and re-entered through the Automated Price Support System (APSS).
