

For: State and County Offices

Sales of 1998 Crop Farm-Stored Deliveries and Warehouse-Stored Forfeitures

Approved by: Deputy Administrator, Farm Programs

1 Overview

A

Background

The Federal Agriculture Improvement and Reform Act of 1996 discourages the accumulation of stocks of commodities, except for statutory reserves, owned by the Federal Government.

As producers choose to deliver or forfeit their 1998 crop commodities at loan maturity, CCC will make these eligible commodities available to warehouse operators for immediate sale. Commodities eligible for immediate sale include corn, grain sorghum, barley, oats, oilseeds, wheat, and rice.

KCCO will offer the warehouse operator accepting the farm-stored delivery for CCC or who issued the forfeited warehouse receipt the first opportunity to purchase the commodity.

B

Purpose

This notice informs State and County Offices:

- that warehouse operators may immediately purchase eligible commodities delivered or forfeited into CCC inventory
- of the proper action to complete the loan settlement or forfeiture, as applicable
- to hold warehouse receipts for 10 workdays after loan maturity

This notice replaces Notice LP-1696, which is obsolete.

Disposal Date	Distribution
June 1, 2000	State Offices; State Offices relay to County Offices

Notice LP-1700

2 Deliveries of Farm-Stored Commodities

A

Directing Deliveries of Commodities

County Offices, with State Office guidance, shall do the following according to 7-LP, Part 13:

- contact local UGRSA warehouses to determine which warehouses will accept the commodity from CCC **before** issuing CCC-691
 - issue CCC-691 to the local UGRSA warehouse location willing to accept delivery.
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B

Warehouse Operator Responsibilities

The warehouse operator who elects to purchase the commodity:

- must complete CCC-691 and any additional documents according to 7-LP, paragraph 1701
 - must purchase the entire quantity shown on CCC-691
 - will provide the County Office with the contract sales number
 - will provide payment to the County Office for the purchased commodity
 - will **not** issue warehouse receipts to CCC for quantity delivered and purchased.
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C

Completing Loan Settlement

For commodities delivered to warehouses for immediate purchase by the warehouse operator, County Offices shall:

- review 7-LP, Part 17
 - follow 7-LP, paragraph 1705 to:
 - review documents completed by the warehouse operator
 - complete the loan settlement
 - deposit the sales proceeds received from the warehouse operator
 - process the settlement in APSS as a local sale according to 12-PS, Part 11
 - on Screen PSA11015, enter the KCCO-assigned **contract sales number** in the “Local Sale Authorization Number” field.
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Notice LP-1700

3 Forfeited Warehouse Receipts

A

Holding Warehouse Receipts

County Offices shall hold forfeited warehouse receipts for **10** workdays after loan maturity **before** submitting the forfeited warehouse receipt to KCCO.

The warehouse operator who issued the warehouse receipt is responsible for contacting the County Office to determine which forfeited warehouse receipts remain in the possession of the County Office and available for purchase from CCC.

B

Receipts Not Purchased

For forfeited warehouse receipts **not** purchased, County Offices shall complete the forfeiture process in APSS in the normal manner on the **eleventh** workday after loan maturity.

C

Receipts Purchased by Warehouse Operator

The warehouse operator:

- must purchase the entire quantity shown on a forfeited warehouse receipt
 - shall provide the contract sales number for the corresponding warehouse receipt
 - shall provide payment to the County Office to obtain the forfeited warehouse receipt.
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D

County Office Action

County Offices shall:

- deposit the sales proceeds received from the warehouse operator according to 7-LP, subparagraph 1705 F
 - follow 7-LP, paragraph 1900 to complete the loan forfeiture
 - process the forfeiture in APSS according to 12-PS, Part 13
 - enter the sales contract number for the corresponding warehouse receipt on the forfeiture transmittal **before** submitting the transmittal to KCCO.
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Obsolete Notice

Notice LP-1696 is obsolete.
