

For: State and County Offices

Calculating CCC-Determined Value for 1999-Crop Durum Wheat

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

8-LP, subparagraph 985 E, provides instructions for calculating the CCC-determined value for:

- farm-stored and warehouse-stored durum wheat loans
- LDP's.

The CCC-determined value for farm-stored durum wheat loans and certified LDP's is not calculated the same as the CCC-determined value for warehouse-stored durum wheat loans and LDP requests accompanied by production evidence that documents the subclass. If the subclass is known, grade discounts based on the subclass are subtracted from the terminal market price.

This has created inconsistencies for producers of durum wheat when determining the CCC-determined value.

B

Purpose

This notice informs State and County Offices of changes in calculating the CCC-determined value for 1999-crop durum wheat.

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

Notice LP-1711

2 County Office Action

A **No Grade Discount**

Effective for 1999-crop durum wheat, no adjustments to LDP's or repayment rates are required based on subclass.

8-LP, subparagraph 985 E, will be amended as follows:

To determine the CCC-determined value for durum wheat loans or LDP's, subtract from the applicable terminal price the discount for Durum as shown on the "Daily Market Rates".

If the CCC-determined value is determined on quality using the schedule of premiums and discounts:

- disregard the subclass discount
 - apply the grade discount.
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B **Determining LDP Rates**

For 1999-crop warehouse-stored durum wheat loan or LDP requests accompanied by production evidence and the discount for durum was not used:

- before November 29, 1999, process the additional disbursement as a new LDP
- after November 29, 1999, use the LDP rate with the durum discount that is in effect on the date of the LDP request.

Note: The LDP rate is the difference between the LDP rate with the grade discount and the LDP rate with the durum discount that was in effect on the date of the original LDP request.

For producers who did not request LDP on durum wheat because they sold their durum wheat or there was no LDP in effect, County Offices shall:

- allow the producers to request LDP using CCC-666 LDP
 - use the LDP rate for durum wheat that was in effect on the date of delivery, for sold commodities
 - for all other requests, use the LDP rate for durum wheat in effect on the date of request.
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Continued on the next page

Notice LP-1711

2 County Office Action (Continued)

C

**Recording
Recalculated
Loan
Repayments**

For 1999-crop durum wheat loan repayments processed before November 29, 1999, and the durum discount was not used, correct the original repayment in APSS and re-record the repayment, according to 12-PS, Part 17, using the repayment rate for durum wheat that was in effect on the date of the original loan repayment.
