

For: State and County Offices

2000 Crop Honey Recourse Loan Program

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

The Agricultural Risk Protection Act of 2000 (ARPA) provided for the availability of recourse loans to producers of 2000 crop honey.

B

Purpose

This notice provides the following Honey Recourse Loan Program policies:

- eligibility requirements
- loan rate
- service fees
- collateral requirements.

C

Action

State Offices shall immediately publicize the contents of this notice to the maximum extent possible.

County Offices shall:

- immediately notify producers
- accept applications.

<p>Disposal Date</p> <p>October 1, 2001</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices</p>
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2 General Information

A

Sources of Authority

The sources of authority for the Honey Recourse Loan Program is:

- ARPA
 - the regulation at 7 CFR Part 1434.
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B

Program Availability

The Honey Recourse Loan Program authorizes CCC to make available to producers a 9-month recourse loan on 2000 crop honey.

C

Disbursements of Loan Proceeds

Until the regulations are published in FR, **no** loan proceeds may be disbursed.

D

Effective Date

Eligible producers may request honey recourse loans until the final loan availability date for 2000 crop honey, March 31, 2001.

E

Where to Request a Loan

Producers must request loans at the County Office where the honey is stored if the honey is stored at the producer's farm. A producer who requests a loan on honey stored in eligible storage, other than the producer's farm, may request loans where the storage facility is located or at the County Office where the producer's main place of business is located.

F

Maturity Date

Loans mature on demand, but **no** later than the last day of the ninth calendar month following the month in which the note and security agreement was approved.

G

Loan Rate

The 2000 crop loan rate is \$.59 per pound for all loan-eligible honey.

H

Service Fees

The loan service fee shall be the **smaller** of the following:

- $\frac{1}{2}$ (.005) of 1 percent times the gross loan amount
 - \$45 per loan, plus \$3 for a lot over 1.
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3 Eligibility Requirements

A Producer Eligibility

An eligible producer is a person who:

- is **not** delinquent on any Federal nontax debts
- produced honey in the United States during the 2000 calendar year, and such honey was extracted on or before December 31, 2000
- has a continuous beneficial interest in the honey from the time the honey was extracted through date of repayment of the loan
- is responsible for the financial risk of keeping the bees and producing the honey.

Approved CMA's may obtain loans on behalf of their members for honey delivered to CMA's.

B Eligible Honey

To be eligible for a loan, the honey must:

- have been produced by an eligible producer
- have been produced in the United States during the 2000 calendar year
- be of merchantable quality deemed by CCC to be suitable for loan
- be stored in acceptable containers.

See Exhibit 1 for a list of ineligible floral sources.

C Storage Provisions

Honey may be stored on or off the farm. Pre-loan inspections must be performed by County Offices to verify the quantity of honey.

Continued on the next page

3 Eligibility Requirements (Continued)

**D
Packaging
Requirements**

The honey must be packed in containers which meet the following conditions:

- be clean
- be sound
- uncased
- free from appreciable dents or rust.

Each container shall be identified with the following information:

- producer's name
 - lot number
 - type of honey
 - number of container
 - net weight.
-

**E
Producer's
Certification**

The producer shall certify to the quantity of the honey and the eligibility for a loan.

County Offices shall accept the certification on CCC-633 (Honey).

The maximum quantity eligible for the loan shall be 100 percent of the eligible quantity certified by the producer and verified by the County Office representative during the pre-loan inspection.

The producer is responsible for any loss in quantity of the honey placed under loan.

**F
Lien Search**

A lien search shall be performed for each loan request and applicable CCC-679's obtained by the producer.

**G
Financing
Statement**

File UCC-1 or other applicable financing statement required by State law to protect CCC's security interest for all honey loans.

List of Ineligible Floral Sources

Ineligible Floral Sources
andromeda
bitterweed
broomweed
cajeput (melaleuca)
carrot
chinquapin
dog fennel
dessert hollyhock
gumweed
mescal
onion
prickly pear
prune
queen's delight
rabbit brush
snowbrush (ceanothus)
snow-on-the-mountain
spurge (leafy spurge)
tarweed

If any blend of honey contains such ineligible honey, the lot as a whole will be considered ineligible for loan.
