

For: State and County Offices

Policy Change Regarding Canceling CCC-697 on Transferred Loan Commodities

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

8-LP, Part 8, Sections 2 and 3 provide instructions for:

- transferring loans from farm storage to warehouse storage
- reconcentrating warehouse-stored loans.

8-LP, subparagraphs 827 B and 952 M provide procedures for allowing the following:

- locking in a marketing assistance loan repayment rate
- maintaining a locked-in repayment rate when transferring farm-stored loan commodities or reconcentrating warehouse-stored loan commodities to a contiguous county.

This policy was intended to allow for the normal movement of grain, but has caused some producers to change their normal marketing decisions bypassing local elevators for elevators in contiguous counties with a higher loan rate.

B

Purpose

This notice informs State and County Offices of a policy change for canceling the lock-in rate on CCC-697.

Disposal Date	Distribution
October 1, 2001	State Offices; State Offices relay to County Offices

Notice LP-1754

2 Canceling CCC-697

A

Policy Change

All outstanding CCC-697's for farm-stored loan commodities transferred to warehouse storage or reconcentrated warehouse-stored loan commodities transferred to a warehouse located outside the originating county become invalid when any portion of the commodity is moved.

A subsequent CCC-697 shall not be approved on any loan resulting from a transfer where the original loan had an outstanding, expired, or canceled CCC-697. This includes any loan quantity that was not locked in on CCC-697 or the 110 percent overrun allowed under the farm to warehouse transfer process.

B

County Office Action

County Offices shall:

- cancel **any** CCC-697, regardless of when CCC-697 expires, for loan quantities transferred outside the originating county

Note: This includes requests for transferring farm-stored loans to warehouse-stored loans and reconcentrating warehouse-stored loans.

- not** approve the subsequent locked-in repayment rate for transferred farm-stored loans or reconcentrated warehouse-stored loans:

- to a county that is beyond the originating county
- that were originally locked in under a farm-stored or warehouse-stored loan

Note: This includes any farm-stored or warehouse-stored loan quantity where either an outstanding or expired CCC-697 exists.

- continue to approve CCC-681-1's for buyers as designated by the producer and accept repayments at rates locked in on CCC-697 without regard to physical location of the designated buyer
 - allow repayments using CCC-697 requested on a farm-stored loan that is later transferred to a warehouse-stored loan or a warehouse-stored loan reconcentration according to 8-LP, subparagraph 952 M, **only** if the transfer or reconcentration request **was approved before receipt of this notice.**
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C

Effective Date

This notice is effective upon receipt in the County Office and is not retroactive.
