

**For:** State and County Offices

**2002 Crop Year Loan Rate Changes**

**Approved by:** Acting Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

Section 1202 of the Farm Security and Rural Investment Act of 2002 (the Act), provides national loan rates. The Secretary has authority to adjust county loan rates to reflect current market prices for eligible loan commodities.

**B**

**Purpose**

This notice:

- obsoletes Notice LP-1844 because of an incorrect form reference in subparagraph 4 B
- informs State and County Offices of general loan rate information and changes to the 2002 crop year marketing assistance loan rates. These changes include for:
  - wheat, loan rates by class
  - oilseeds, different loan rates for each type of oilseed.

The changes to the announced county loan rates will impact the Automated Price Support System (APSS). Modifications and enhancements to software will be included in a future county release.

<b>Disposal Date</b>  June 1, 2003	<b>Distribution</b>  State Offices, State Office relay to County Offices
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**Notice LP-1845**

**2 General Loan Rate Information**

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**A  
2002 and 2003  
Crop Years  
National Average  
Loan Rates**

Section 1202 (a) of the Act provides the national loan rates for eligible loan commodities. The 2002 and 2003 crop years national average loan rates are as follows.

<b>Crop</b>	<b>National Loan Rate</b>
Wheat	\$2.80 per bushel
Corn	\$1.98 per bushel
Grain Sorghum	\$1.98 per bushel
Barley	\$1.88 per bushel
Oats	\$1.35 per bushel
Upland Cotton	\$0.52 per pound
Extra Long Staple (ELS) Cotton	\$0.7977 per pound
Rice	\$6.50 per hundredweight
Soybeans	\$5.00 bushel
Oilseeds	\$0.0960 per pound
Graded Wool	\$1.00 per pound
Non-Graded Wool	\$0.40 per pound
Mohair	\$4.20 per pound
Honey	\$0.60 per pound
Dry Peas	\$6.33 per hundredweight
Lentils	\$11.94 per hundredweight
Small Chickpeas	\$7.56 per hundredweight

**B  
2002 Crop Year  
County Loan  
Rates**

The 2002 crop year base county loan rates for wheat, feed grains, and oilseeds were announced on Thursday, June 6, 2002. Notice LP-1843 provides instructions to State and County Offices for obtaining applicable county loan rates. County loan rates for all other crops will be announced in the near future.

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## Notice LP-1845

### 3 Changes to Announced County Loan Rates

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#### A

##### **Wheat Loan Rates by Class**

Beginning with the 2002 crop year, the base county loan rate for wheat will be announced by class. The loan rates are based on the following classes of wheat:

- hard red spring (HRS)
- hard red winter (HRW)
- soft red winter (SRW)
- soft white wheat (SWW)
- durum (DUM).

The hard white wheat (HWW) loan rate will be equal to the HRW loan rate.

The DUM wheat loan rate will be applicable for all subclasses of durum.

Although silage is not eligible for marketing assistance loans, silage is eligible for LDP's. Because silage is eligible for LDP's, the applicable wheat class loan rate shall be used to determine the posted county price (PCP) when determining the LDP rate for silage LDP's. Therefore, the applicable class of wheat is necessary to approve silage LDP requests.

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#### B

##### **Updating Loan Rates and Differentials for Corn, Grain Sorghum, Barley, and Oats**

The 2002 crop year loan rates will be updated for corn, grain sorghum, barley, and oats to reflect recent market price data. These updates will help minimize discrepancies among counties.

The 2002 crop year differentials for corn, grain sorghum, barley, and oats are also being updated. The new differentials will be effective Monday, June 10, 2002.

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#### C

##### **Oilseed Loan Rates**

The 2002 crop year oilseed loan rates will be differentiated by the type of oilseed. These loan rates are reflective of the current market prices among the applicable type of oilseed.

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Notice LP-1845

3 Changes to Announced County Loan Rates (Continued)

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**C**  
**Oilseed Loan Rates**  
**(Continued)**

The 2002 crop year national loan rates per pound for oilseeds are as follows.

Type of Oilseed	Loan Rate
Oil-type Sunflower	\$0.0915
Other-type Sunflower	\$0.1210
Flaxseed	\$0.0698
Canola	\$0.0949
Rapeseed	\$0.0947
Safflower Seed	\$0.1253
Mustard Seed	\$0.0988

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**D**  
**Crambe and Sesame Seed Loan Rates**

Crambe and sesame seed are **ineligible** for 2002 crop year loans or LDP's.

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## Notice LP-1845

### 4 Handling 2002 Crop Year Loan and LDP Requests

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#### A 2002 Crop Year Loan Requests

Several County Offices have reported to the National Office that they have accepted 2002 wheat loan and LDP requests. According to the State Office Reporting System (SORS), no loans have been disbursed for the 2002 crop year.

County Offices that have already accepted 2002 crop year loan requests, but have **not** processed loans in APSS, shall:

- continue to accept requests
- process loans for all eligible loan commodities except for wheat
- follow a future PS notice for processing 2002 crop year wheat loans and LDP's.

**Note:** Loans cannot be processed for first time loan commodities, until regulations are published. First time loan commodities are wool, mohair, honey, lentils, and small chickpeas.

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#### B 2002 Crop Year LDP and Graze-Out Requests

County Offices that have accepted LDP and/or graze-out requests for wheat must use the applicable wheat class loan rate to determine PCP when calculating the LDP rate.

For LDP's, producers will be required to enter the class of wheat on CCC-633 LDP and CCC-709.

For graze-out payments, producers will be required to enter the class of wheat on CCC-633 Grazing.

Graze-out payments cannot be issued at this time. A future LP notice will be issued with additional information for graze-out.

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#### C Calculating 2002 LDP Rates

For any 2002 crop LDP's requested before Monday, June 10, 2002, calculate the payment rate by subtracting PCP that was in effect on the date of the request from the 2002 loan rate, as applicable.

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#### D Accessing Market Rates and LDP's

As of Monday, June 10, 2002, market and LDP rates will be calculated and posted to all websites in the normal manner.

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