

For: State and County Offices

Revised 2002 Crop Loan Rates and Additional Provisions for 2002 through 2007 Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments (LDP's) for Wool and Mohair
Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Notice LP-1891 provided graded wool loan rates for the 2002 crop year. The loan rates for Region 1 and Region 3 were incorrect and have been revised to reflect the market conditions in those particular regions. The revised loan rates will provide uniform market loan gains and LDP's nationwide.

Since the 2002 crop year loan rates were not available until December 16, 2002, the final loan availability date has been extended for 2002 crop wool and mohair nonrecourse marketing assistance loans and LDP's.

B

Purpose

This notice provides State and County Offices with:

- revised regional loan rates for the following:
 - Region 1 (Eastern location)
 - Region 3 (Western location)
- extended final loan availability date for the 2002 crop of wool and mohair
- additional policies and procedures for implementing 2002 and subsequent crop years nonrecourse marketing assistance loans and LDP's for wool and mohair.

Disposal Date	Distribution
December 1, 2003	State Offices; State Offices relay to County Offices

Notice LP-1895

2 Revised Regional 2002 Loan Rates for Graded Wool

A

**Revised 2002
Regional Loan
Rates for Graded
Wool**

The following table contains the revised Region 1 and Region 3 2002 crop loan rates for graded wool in counties and States located in each applicable region, as provided in Notice LP-1891. The 2002 loan rates announced for Region 2 were correct and remain unchanged.

Micron	Revised Region 1 Loan Rate (\$/lb.)	Region 2 Loan Rate (\$/lb.)	Revised Region 3 Loan Rate (\$/lb.)
<18.6	\$5.31	\$5.27	\$5.23
18.6 - 19.5	\$3.42	\$3.38	\$3.34
19.6 - 20.5	\$2.49	\$2.45	\$2.41
20.6 - 22.0	\$2.28	\$2.24	\$2.20
22.1 - 23.5	\$2.24	\$2.20	\$2.16
23.6 - 25.9	\$2.11	\$2.07	\$2.03
26 - 28.9	\$1.52	\$1.48	\$1.44
Over 29	\$1.37	\$1.33	\$1.29

The loan rate for graded wool shall be determined according to the applicable micron range obtained from the core test results provided by the producer from the CCC-approved testing facility.

B

**Unchanged 2002
Loan Rates**

2002 loan rates previously provided in Notice LP-1981 for the following commodities have not changed:

- Region 2 graded (clean) wool
 - nongraded (greasy) wool for all regions
 - mohair.
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C

Effective Date

The revised graded (clean) loan rates for the 2002 crop wool and mohair are effective on the date of this notice. Process all wool and mohair 2002 crop loans and LDP's from the date of this notice according to the revised applicable loan rates.

Notice LP-1895

3 General Policies

A

Extended Final Loan Availability Date

According to Notice LP-1878, the final loan availability date to request a wool or mohair marketing assistance loan or LDP is January 31 of the year following the year in which the applicable commodity is sheared. For the 2002 crop year only, the final loan availability date to request a wool or mohair marketing assistance loan or LDP has been extended to **March 31, 2003**.

For the 2003 through 2007 crop years the final loan availability date will remain January 31 of the year following the year in which the applicable commodity is sheared.

B

Yield Conversion to Eligible Quantity

Graded wool is weighed on a greasy basis and must be converted to a clean basis to determine the quantity eligible for loan or LDP. The net quantity of wool must be converted using the **Schlumberger Estimated Commercial Top and Noil (Schlumberger) Yield** obtained from the core test report to determine the eligible loan or LDP quantity for graded wool. Convert graded wool from a greasy basis to a clean basis by:

- moving the decimal in the Schlumberger yield percentage 2 places to the left
- multiplying that figure by the net weight of wool to determine the eligible loan or LDP quantity.

Example: The net weight on the core test report indicates 5,500 pounds. The Schlumberger yield on the core test report indicates 53.1%. Multiply 5,500 by .531 to get a total eligible loan or LDP quantity of 2,920.50 pounds.

Yield conversions from greasy weight to clean weight must be manually calculated before entering the adjusted eligible quantity in APSS to process a loan or LDP.

Note: All graded wool loans and LDP's disbursed without converting the net grease weight to a clean weight using the Schlumberger yield **must** be corrected according to the procedure in this paragraph.

Continued on the next page

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3 General Policies (Continued)

C

Approval of CCC Testing Facilities

To become a CCC-approved testing facility for graded wool, laboratories that core test wool samples to objectively measure through laboratory analysis the fiber diameter and yield may be considered for approval by submitting a written request for consideration to the Deputy Administrator, Farm Programs at the following address:

USDA-FSA-DAFP-PSD
STOP 0512, Room 4095-S
1400 Independence Ave., S.W.
Washington, D.C. 20250-0512.

4 State and County Action

A

State Office Action

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

B

County Office Action

County Offices shall:

- notify producers immediately of the contents of this notice using all available resources
 - use the revised 2002 regional loan rates effective upon the date of this notice
 - do not correct any loans or LDP's disbursed before the issuance of this notice with the revised loan rates
 - accept 2002 crop loan and LDP requests for wool and mohair through March 31, 2003
 - convert all graded wool loan and LDP quantities from grease weight to clean weight to determine the eligible quantity
 - correct any previously disbursed graded wool loan and LDP's not adjusted to the clean weight eligible quantity
 - await future notices about the following:
 - unshorn pelt procedures
 - premiums and discounts.
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