

For: State and County Offices

Schedule of Premiums and Discounts for the 2002 Through 2003 Crop Year Wool and Mohair

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Wool and mohair placed under loan with CCC is subject to adjustment according to a schedule of premiums and discounts during the applicable crop year. Premiums and discounts contained in this notice for wool and mohair:

- are applicable to the 2002 and 2003 crop year
- only apply upon forfeiture to CCC
- shall be used in the settlement of a nonrecourse loan if the producer does not repay the loan as required by 7 CFR Part 1421.

State and County FSA Offices shall make copies of the schedules of premiums and discounts available to the public.

B

Purpose

This notice provides State and County Offices with the schedule of premiums and discounts for wool and mohair placed under loan with CCC during the 2002 through 2003 crop year.

<p>Disposal Date</p> <p>December 1, 2003</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices; FAX to CMA's</p>
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2 Graded Wool Discounts for Offsorts

A

Region 1 Graded Wool Discounts for Offsorts

The following table provides the Region 1 CCC discounts for offsorts. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Factor/ Type/ Description	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
Bellies	\$2.66	\$1.71	\$1.25	\$1.14	\$1.12	\$1.06	\$0.76	\$0.69
Pieces	\$2.66	\$1.71	\$1.25	\$1.14	\$1.12	\$1.06	\$0.76	\$0.69
Locks/Tags	\$3.98	\$2.57	\$1.87	\$1.71	\$1.68	\$1.58	\$1.14	\$1.03
Crutchings	\$3.98	\$2.57	\$1.87	\$1.71	\$1.68	\$1.58	\$1.14	\$1.03
Blackface	\$2.66	\$1.71	\$1.25	\$1.14	\$1.12	\$1.06	\$0.76	\$0.69
Black Wool	\$4.78	\$3.08	\$2.24	\$2.05	\$2.02	\$1.90	\$1.37	\$1.23
35 Micron and Over								\$1.23

B

Region 2 Graded Wool Discounts for Offsorts

The following table provides the Region 2 CCC discounts for offsorts. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Factor/ Type/ Description	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
Bellies	\$2.64	\$1.69	\$1.23	\$1.12	\$1.10	\$1.04	\$0.74	\$0.67
Pieces	\$2.64	\$1.69	\$1.23	\$1.12	\$1.10	\$1.04	\$0.74	\$0.67
Locks/Tags	\$3.95	\$2.54	\$1.84	\$1.68	\$1.65	\$1.55	\$1.11	\$1.00
Crutchings	\$3.95	\$2.54	\$1.84	\$1.68	\$1.65	\$1.55	\$1.11	\$1.00
Blackface	\$2.64	\$1.69	\$1.23	\$1.12	\$1.10	\$1.04	\$0.74	\$0.67
Black Wool	\$4.74	\$3.04	\$2.21	\$2.02	\$1.98	\$1.86	\$1.33	\$1.20
35 Micron and Over								\$1.20

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2 Graded Wool Discounts for Offsorts (Continued)

C

Region 3 Graded Wool Discounts for Offsorts

The following table provides the Region 3 CCC discounts for offsorts. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Factor/ Type/ Description	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
Bellies	\$2.62	\$1.67	\$1.21	\$1.10	\$1.08	\$1.02	\$0.72	\$0.65
Pieces	\$2.62	\$1.67	\$1.21	\$1.10	\$1.08	\$1.02	\$0.72	\$0.65
Locks/Tags	\$3.92	\$2.51	\$1.81	\$1.65	\$1.62	\$1.52	\$1.08	\$0.97
Crutchings	\$3.92	\$2.51	\$1.81	\$1.65	\$1.62	\$1.52	\$1.08	\$0.97
Blackface	\$2.62	\$1.67	\$1.21	\$1.10	\$1.08	\$1.02	\$0.72	\$0.65
Black Wool	\$4.71	\$3.01	\$2.17	\$1.98	\$1.94	\$1.83	\$1.30	\$1.16
35 Micron and Over								\$1.16

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3 Graded Wool Discounts for Preparation

A

Graded Wool Discounts for Preparation

The following table provides CCC discounts based on the preparation of wool. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Preparation	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
Bellies out, untied, classed, not skirted.	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Bellies out, untied, unclassified, not skirted.	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Bellies in, untied, unclassified, not skirted.	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
No preparation, tied.	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80

B

Applicability of Preparation Discounts

Discounts for preparation apply to fleece wool **only**. Preparation discounts do **not** apply to offsorts that consist solely of lots or bags of the following:

- bellies
- pieces
- locks/tags
- crutchings.

Graded wool discounts for preparation provided in subparagraph A are nationwide discounts applicable to Regions 1 through 3.

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4 Graded Wool Discounts for Length

A

Region 1 Graded Wool Discounts for Length

The following table provides Region 1 CCC discounts based on the length of the wool below the 3 inch minimum. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Length in Inches	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
2.76 - 2.99	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
2.51 - 2.75	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
2.00 - 2.50	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
Under 2.00	\$3.19	\$2.05	\$1.49	\$1.37	\$1.34	\$1.27	\$0.91	\$0.82

B

Region 2 Graded Wool Discounts for Length

The following table provides Region 2 CCC discounts based on the length of the wool. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Length in Inches	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
2.76 - 2.99	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
2.51 - 2.75	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
2.00 - 2.50	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
Under 2.00	\$3.16	\$2.03	\$1.47	\$1.34	\$1.32	\$1.24	\$0.89	\$0.80

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4 Graded Wool Discounts for Length (Continued)

C

Region 3 Graded Wool Discounts for Length

The following table provides Region 3 CCC discounts based on the length of the wool below the 3 inch minimum. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Length in Inches	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
2.76 - 2.99	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
2.51 - 2.75	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
2.00 - 2.50	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
Under 2.00	\$3.14	\$2.00	\$1.45	\$1.32	\$1.30	\$1.22	\$0.86	\$0.77

D

Length Discount Applicability

Length discounts for wool apply to fleece wool **only**. Length discounts do **not** apply to offsorts that consist solely of lots or bags of the following:

- bellies
- pieces
- locks/tags
- crutchings.

5 Additional Discounts for Graded Wool

A

Graded Wool Vegetable Matter Discounts

The following table provides CCC discounts applicable to Region 1 through Region 3 based on the percentage of vegetable matter in the wool, according to the core test results. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Percentage	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
2.1 - 4.0%	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
4.1 - 6%	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
>6.1%	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90	\$0.90

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5 Additional Discounts for Graded Wool (Continued)

B

**Region 1
Miscellaneous
Graded Wool
Discounts**

The following table provides Region 1 CCC discounts based on miscellaneous factors. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Factor	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
•Damaged •Stained •Muddy •Wet •Non-merchantable	\$5.31	\$3.42	\$2.49	\$2.28	\$2.24	\$2.11	\$1.52	\$1.37
Polypropylene Contamination	\$5.31	\$3.42	\$2.49	\$2.28	\$2.24	\$2.11	\$1.52	\$1.37

C

**Region 2
Miscellaneous
Graded Wool
Discounts**

The following table provides Region 2 CCC discounts based on miscellaneous factors. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Factor	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
•Damaged •Stained •Muddy •Wet •Non-merchantable	\$5.27	\$3.38	\$2.45	\$2.24	\$2.20	\$2.07	\$1.48	\$1.33
Polypropylene Contamination	\$5.27	\$3.38	\$2.45	\$2.24	\$2.20	\$2.07	\$1.48	\$1.33

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5 Additional Discounts for Graded Wool (Continued)

D

**Region 3
Miscellaneous
Graded Wool
Discounts**

The following table provides Region 3 CCC discounts based on miscellaneous factors. Subtract the per pound discount from the applicable loan rate according to the specific micron range obtained from the core test results.

Factor	Discount Per Pound According to Applicable Micron Range							
	<18.6	18.6 - 19.5	19.6 - 20.5	20.6 - 22.0	22.1 - 23.5	23.6 - 25.9	26.0 - 28.9	29.0 and Over
•Damaged •Stained •Muddy •Wet •Non-merchantable	\$5.23	\$3.34	\$2.41	\$2.20	\$2.16	\$2.03	\$1.44	\$1.29
Polypropylene Contamination	\$5.23	\$3.34	\$2.41	\$2.20	\$2.16	\$2.03	\$1.44	\$1.29

6 Discounts for Ungraded Wool

A

**Ungraded Wool
Discounts for
Offsorts**

The following table provides regional CCC discounts for ungraded wool offsorts. Subtract the per pound discount from the applicable loan rate.

Factor/ Type/ Description	Discount Per Pound According to Applicable Region		
	Region 1	Region 2	Region 3
Bellies	\$0.21	\$0.20	\$0.19
Pieces	\$0.21	\$0.20	\$0.19
Locks/Tags	\$0.32	\$0.30	\$0.29
Crutchings	\$0.32	\$0.30	\$0.29
Blackface	\$0.21	\$0.20	\$0.19
Black Wool	\$0.38	\$0.36	\$0.34

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6 Discounts for Ungraded Wool (Continued)

B

Ungraded Wool Discounts for Length

The following table provides regional CCC discounts for ungraded (greasy) wool based on the length of the wool below the 3 inch minimum. Subtract the per pound discount from the applicable loan rate.

Length in Inches	Discount Per Pound According to Applicable Region		
	Region 1	Region 2	Region 3
2.76 - 2.99	\$0.10	\$0.10	\$0.10
2.51 - 2.75	\$0.15	\$0.15	\$0.15
2.00 - 2.50	\$0.20	\$0.20	\$0.20
Under 2.00	\$0.25	\$0.25	\$0.25

Length discounts for ungraded wool apply to fleece wool **only**. Length discounts do **not** apply to offsorts that consist solely of lots or bags of the following:

- bellies
 - pieces
 - locks/tags
 - crutchings.
-

C

Miscellaneous Discounts for Ungraded Wool

The following table provides regional CCC discounts based on miscellaneous factors. Subtract the per pound discount from the applicable loan rate.

Length in Inches	Discount Per Pound According to Applicable Region		
	Region 1	Region 2	Region 3
Polypropylene Contamination	\$0.42	\$0.40	\$0.38
Unmerchantable	\$0.42	\$0.40	\$0.38

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7 Premiums and Discounts for Mohair

**A
Mohair Grade
Acronyms**

The following grade acronyms are used in this notice to designate the different type grades of mohair.

Acronym	Meaning
FK	Fine Kid
GK	Good Kid
AK	Average Kid
FYG	Fine Young Goat
AYG	Average Young Goat
FA	Fine Adult
AA	Average Adult

**B
Mohair
Premiums and
Discounts for
Micron**

The following are premiums and discounts according to the type of mohair and specific micron range obtained from a core test report from a CCC-approved testing facility. Add or subtract as applicable the per pound premium or discount from the \$4.20 loan rate according to the specific micron range obtained from the core test results.

Type/Grade	Micron	Premium	Discount
FK	< 26	\$4.30	
GK	26.1 - 28	\$3.07	
AK	28.1 - 30	\$2.54	
FYG	30.1 - 32	\$0.64	
AYG	32.1 - 34		
FA	34.1 - 36		\$1.48
AA	> 36		\$1.52

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7 Premiums and Discounts for Mohair (Continued)

C

Mohair Length Discounts

The following table provides discounts for mohair based on the length of the mohair. Subtract the per pound discount from the \$4.20 loan rate according to the specific micron range obtained from the core test results.

Length in Inches	Discount Per Pound According to the Applicable Micron Range						
	<26	26.1 - 28	28.1 - 30	30.1 - 32	32.1 - 34	34.1 - 36	Over 36
Under 3	\$8.50	\$7.27	\$6.74	\$4.84	\$4.20	\$2.72	\$2.68
3.00 - 3.99	\$1.70	\$1.45	\$1.35	\$0.97	\$0.84	\$0.54	\$0.54
Over 6	\$1.28	\$1.09	\$1.01	\$0.73	\$0.63	\$0.41	\$0.40

D

Mohair Vegetable Matter Discounts

The following table provides discounts for mohair based on the vegetable matter content of the mohair. Subtract the per pound discount from the \$4.20 loan rate according to the specific micron range obtained from the core test results.

Vegetable Matter (%)	Discount Per Pound According to the Applicable Micron Range						
	<26	26.1 - 28	28.1 - 30	30.1 - 32	32.1 - 34	34.1 - 36	Over 36
1 - 1.9%	\$0.85	\$0.73	\$0.67	\$0.48	\$0.42	\$0.27	\$0.27
2 - 4%	\$2.13	\$1.82	\$1.69	\$1.21	\$1.05	\$0.68	\$0.67
Over 4%	\$4.25	\$3.64	\$3.37	\$2.42	\$2.10	\$1.36	\$1.34

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7 Premiums and Discounts for Mohair (Continued)

E

Mohair Discounts for Kemp

The following table provides discounts for mohair based on the kemp content of the mohair. Subtract the per pound discount from the \$4.20 loan rate according to the specific micron range obtained from the core test results.

Medullated Fibers (%)	Discount Per Pound According to the Applicable Micron Range						
	<26	26.1 - 28	28.1 - 30	30.1 - 32	32.1 - 34	34.1 - 36	Over 36
5.0 - 6.9%	\$0.85	\$0.73	\$0.67	\$0.48	\$0.42	\$0.27	\$0.27
7.0 % and Over	\$2.13	\$1.82	\$1.69	\$1.21	\$1.05	\$0.68	\$0.67

Kempy Fibers (%)	Discount Per Pound According to the Applicable Micron Range						
	<26	26.1 - 28	28.1 - 30	30.1 - 32	32.1 - 34	34.1 - 36	Over 36
0.5 - 0.69%	\$0.85	\$0.73	\$0.67	\$0.48	\$0.42	\$0.27	\$0.27
0.7% and Over	\$2.13	\$1.82	\$1.69	\$1.21	\$1.05	\$0.68	\$0.67

F

Mohair Yield Adjustment

The mohair loan rate must be adjusted for yield **after** all mohair discounts have been applied. The mohair yield must be calculated using the Clean Wool Fibers Present (CWFP) yield obtained from the core test report of a CCC-approved testing facility to determine the final loan settlement rate.

To calculate the mohair yield adjustment, apply all premiums and discounts to the loan rate to determine the adjusted loan rate. Divide the adjusted loan rate by .75 and then times the resulting figure by CWFP yield from the core test report to determine the final loan settlement rate per pound of mohair forfeited to CCC.

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7 Mohair Premiums and Discounts (Continued)

F Mohair Yield Adjustment (Continued)

Example: Producer A received a loan of \$4,200 for 1,000 pounds of mohair that he forfeits to CCC. The core test results from the forfeited mohair indicate that the mohair had a 35 micron, 3% vegetable matter, and a CWFP yield of 70%. From the \$4.20 loan rate initially disbursed to Producer A, deduct the following based on the mohair discounts in this paragraph, -\$1.48 for micron, -\$0.68 for vegetable matter to come up with an adjusted loan rate of \$2.04.

$$\$2.04 / .75 = \$2.72$$

$$\$2.72 \times .70 = \$1.90$$

\$1.90 per pound is the final settlement rate
x 1000 pounds of forfeited mohair
\$1,900

\$4,200 original loan disbursement
- \$1,900 adjusted settlement value
\$2,300

The producer owes CCC \$2,300 for the forfeited mohair.

8 Wool and Mohair Settlements

A Commodity Inspection

Premiums and discounts provided in this notice will be applied based on the:

- inspection of the forfeited commodity by an AMS agent or other CCC-approved representative
- core test report from a CCC-approved testing facility for graded wool and mohair.

Note: Mohair forfeited to CCC will require a core test to determine quality factors.

Additional information about settlement procedures will be provided in a future directive.

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8 Wool and Mohair Settlements (Continued)

**B
Settlement
Charges**

Any additional charges incurred by CCC to obtain quantity or quality grading factors to apply associated premiums and discounts for wool and mohair delivered to CCC shall be at the expense of the producer.
