

For: State and County Offices and CMA's

2003 Crop Peanut Warehouse Rates

Approved by: Acting Deputy Administrator, Farm Programs



1 2003 Crop Peanut Warehouse Rates

A Background

Section 1307(a)(6) of the Farm Security and Rural Investment Act of 2002 (the Act) authorizes the Secretary to use CCC funds to pay storage, handling, and other associated costs to ensure proper storage of 2002 through 2006 crop year peanuts pledged as security for a CCC marketing assistance loan.

CCC will pay storage and receiving charges associated with peanuts pledged as collateral for warehouse-stored marketing assistance loans. The storage charges will be paid in the form of a credit at the time of repayment of the marketing assistance loan. The receiving charges will be paid on a monthly basis to the applicable warehouse. The load-in charges will include the State specific grading and inspection fees for peanuts. CCC will pay load-out charges if CCC deems it necessary to load out CCC loan collateral or peanuts forfeited to CCC.

B Purpose

This notice informs State and County Offices of the:

- approved monthly storage rates and load-in and load-out charges
- peanut storage credit provided to the producers at the time of loan repayment
- payment of load-in charges to warehouses.

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| Disposal Date | Distribution |
| February 1, 2004 | State Offices; State Offices relay to County Offices; FAX to CMA's |

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2 Warehouse Charges

A Monthly Warehouse Charges

The monthly storage rates and load-in and load-out charges are on a per ton basis. The rates are provided in the following table.

| State | Load-In Charges | Storage Rate | Load-Out Charges |
|----------------|------------------------|--|-------------------------|
| Alabama | \$35.50 | \$2.71 per ton (daily storage rate is \$0.089) | \$8.00 |
| Arkansas | \$36.00 | | |
| Florida | \$35.25 | | |
| Georgia | \$35.20 | | |
| New Mexico | \$35.50 | | |
| North Carolina | \$30.00 | | |
| Oklahoma | \$36.00 | | |
| South Carolina | \$37.00 | | |
| Texas | \$35.00 | | |
| Virginia | \$37.50 | | |

Notes: Rates include \$30.00 plus the initial grading and inspection fee as determined by the State where the warehouse is located. Since the receiving rate in the table includes the cost for grading of the peanuts, the cost of this service is the warehouse operator’s responsibility and must be paid to AMS, Federal-State Inspection Service from the receiving fees.

The North Carolina rate will be increased to reflect grading and inspection fees assessed by the North Carolina AMS, Federal-State Inspection Service.

B Warehouse-Stored Charges for CCC-Owned Peanuts

If peanuts are forfeited to CCC, KCCO will pay the storage charges from the storage start date through the maturity date for all forfeited peanuts. Payment for storage of CCC-owned peanuts will be paid at the daily storage rate in subparagraph A. CCC will pay load-out charges for CCC-owned peanuts only when CCC orders this service.

C Entering Approved Warehouse Rates and Charges in APSS

APSS will be modified to include a county maintained table for entering CCC-approved peanut warehouse monthly storage and load-in and load-out charges. County Offices shall enter the monthly storage rate, applicable load-in charges, and load-out charges according to subparagraph A.

Note: Instructions for entering warehouse storage and load-in and load-out charges will be provided in a future PS notice.

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3 Payment of Certain Peanut Warehouse Charges

A Peanut Warehouse Storage Credit

Storage charges will be paid to the producer in the form of a credit when the marketing assistance loan is repaid. The repayment amount due will be reduced by the storage charges accrued from the date all documents are required from the producer for the marketing assistance loan were provided, through the date the repayment is received and processed by the County Office.

B Payment of Load-In Charges

CCC-approved warehouses that store peanuts offered as collateral to secure a warehouse-stored marketing assistance loan will receive payment of all loan-in charges incurred for handling loan peanuts, according to the fees provided in subparagraph 2 A. Payment of receiving charges to the warehouse will be issued on a monthly basis.

Software is being enhanced to:

- calculate the load-in charges by warehouse to be paid to the “Parent Warehouse”
- issue monthly payments
- monitor load-in charges paid or due by individual warehouses.

Note: A future PS notice will include automation instructions on issuing payments to the warehouse.