

**For:** Peanut State and County Offices, Peanut CMA's, and DMA's

**2007 Policy and Procedures for Peanut Marketing Activities**

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



**1 Overview**

**A Background**

The Farm Security and Rural Investment Act of 2002 (2002 Act) dramatically changed the peanut marketing procedures for 2002 and subsequent crop farmer's stock peanuts. Basic changes to the automated system of data processing and transfer include, but are not limited to, the following:

- FV-95 will continue to be used as a note sheet to record the official peanut inspection and grading information
- FSA-1007 approved template provided to the industry will continue to be used
- FSA-1007 data will continue to be transmitted to the FSA-Data Collection Center (FSA-DCC) in Kansas City
- Warehouse Receipt for Peanuts will be required to apply for a warehouse-stored marketing assistance loan (MAL)
- new handlers should request handler numbers through PSD
- new buying points should request buying point numbers through the Fruit and Vegetable Branch, AMS
- wire transfer may be used for repaying peanut MAL's.

<b>Disposal Date</b>	<b>Distribution</b>
August 1, 2008	Peanut State Offices; State Offices relay to applicable County Offices, Peanut CMA's, and DMA's

## Notice LP-2073

### 1 Overview (Continued)

#### B Purpose

This notice:

- provides State and County Office responsibilities associated with peanut marketing activities for the 2007 crop
- highlights PSD, KCAO, peanut handler/sheller, buying point, DACO, and EWR, Inc. (Provider) responsibilities
- defines the roles of other entities involved in peanut marketing activities
- provides policy and procedures for:
  - handling:
    - statement of charges attached to peanut warehouse receipts
    - Segregation 1, 2, and 3 peanut loan and LDP requests
    - peanuts harvested as green, hay, or feed
    - 2007 crop year peanuts MAL and LDP program
    - eligible farm storage
    - CCC-633 EZ
    - beneficial interest
  - determining the eligible:
    - LDP quantity when using FSA-1007 for production evidence
    - loan and LDP quantity when using a warehouse receipt
- authorizes offset charges associated with storage and in-handling.

**Note:** Previous policy only authorized cleaning, drying, custom harvesting, and seed accounts.

#### C Contact

If there are any questions about this notice, contact Tonye Gross, PSD, by 1 of the following:

- e-mail at [tonye.gross@wdc.usda.gov](mailto:tonye.gross@wdc.usda.gov)
- telephone at 202-720-4319
- FAX at 202-690-1536.

**Note:** County Offices shall route questions through their State Office.

## Notice LP-2073

### 2 Responsibilities

#### A PSD Responsibilities

PSD shall provide:

- guidelines and procedures for marketing farmer's stock peanuts to peanut handlers/shellers and buying points
- guidelines for obtaining MAL's or LDP's
- overall program integration.

#### B KCAO Responsibilities

KCAO shall do the following.

Step	Action
1	Operate FSA-DCC.
2	Receive, process, and distribute FSA-1007 transmission files.
3	Provide technical support on issues about FSA-1007 transmissions.  <b>Note:</b> This does <b>not</b> include support of the buying point automation software.
4	Generate FSA-1007 transmission reports.
5	Monitor mandatory "TEST" and "DAILY" transmission activity.

#### C State Office Responsibilities

State Offices shall do the following.

Step	Action
1	Inform buying points and peanut handlers/shellers that technical questions about FSA-1007 processing and transmissions shall be handled by peanut handler/sheller representatives.
2	Contact PSD for questions about buying point automation procedures and peanut MAL's and LDP's.
3	Refer questions on peanut inspection and grading to Federal-State Inspection Service, AMS.  <b>Note:</b> See Exhibit 1 for Federal-State Inspection Service, AMS contact information.
4	Contact PSD for ID's and passwords needed to process electronic warehouse receipts (EWR's).
5	See Notice LP-2067 for general MAL and LDP policy.
6	Inform County Offices, peanut CMA's, and DMA's of the contents of this notice.

**Notice LP-2073**

**2 Responsibilities (Continued)**

**D County Office Responsibilities**

County Offices shall do the following.

<b>Step</b>	<b>Action</b>
1	<p>Inform producers that:</p> <ul style="list-style-type: none"> <li>• the FSA-1003 Producer ID Information Summary Report is available</li> <li>• they will be responsible for tracking their peanut production</li> <li>• they will be responsible for maintaining beneficial interest</li> <li>• they will be responsible for monitoring their payment limitation</li> <li>• the final loan availability date is January 31 of the year following the harvest.</li> </ul>
2	<p>Inform peanut producers that they will be responsible for keeping track of individual producer shares for each load of peanuts delivered for commercial sale, warehouse-stored MAL, or LDP.</p>
3	<p>Inform peanut producers and peanut handlers/shellers to contact Federal-Service Inspection Service, AMS for questions associated with peanut inspection and grading.</p> <p><b>Note:</b> See Exhibit 1 for Federal-Inspection Service, AMS contact information.</p>
4	<p>Instruct buying points and peanut handlers/shellers to contact the peanut handler/sheller designated representative for technical questions about FSA-1007 processing and transmissions.</p>
5	<p>Instruct peanut producers to contact the warehouse operator for questions about the contents of the Warehouse Receipt for Peanuts.</p>
6	<p>Inform peanut producers that warehouse-stored MAL's will be based on the Warehouse Receipt for Peanuts.</p>
7	<p>Remind peanut producers, peanut handlers/shellers, and warehouse operators that County Offices, CMA's, and DMA's <b>shall not:</b></p> <ul style="list-style-type: none"> <li>• receive FSA-1007 transmissions</li> <li>• handle corrections to FSA-1007 and Warehouse Receipt for Peanuts.</li> </ul>
8	<p>See Notice LP-2067 for general MAL and LDP policy.</p>
9	<p>Inform peanut producers, buying points, peanut handlers/shellers, warehouse operators, and other entities associated with the peanut industry of the contents of this notice.</p>

**Notice LP-2073**

**2 Responsibilities (Continued)**

**E Peanut Handler/Sheller Responsibilities**

Peanut handlers/shellers shall do the following.

<b>Step</b>	<b>Action</b>
1	Continue to use the assigned handler number and buying point number.  <b>Note:</b> New peanut handlers/shellers must contact PSD for handler number assignments. New buying points must continue to be registered with Federal-State Inspection Service, AMS.
2	Provide affiliated peanut buying points with software and hardware to process and transmit <b>all</b> FSA-1007 records to FSA-DCC following the requirements established by FSA.
3	Instruct affiliated buying points on the continued use of FSA-1007 to reflect official results of farmer's stock inspection. Use FSA-1007's following the guidelines issued by FSA.
4	Designate a peanut handler/sheller technical representative who will provide technical support and training to affiliated buying points.
5	Contact the FSA National Help Desk for questions about transmissions to FSA-DCC. See paragraph 10 for FSA National Help Desk information.
6	Call the FSA National Help Desk before sending test transmissions to FSA-DCC.
7	Ensure that <b>all</b> FSA-1007 records processed by all affiliated buying points are transmitted daily to FSA-DCC following the guidelines issued by FSA.
8	Contact FSA, Web Room at 1-800-255-2434 to request a new transmission ID and password to transmit to FSA-DCC.
9	Inform peanut producers that warehouse-stored MAL's will be processed based on the Warehouse Receipt for Peanuts.
10	Instruct affiliated buying points that corrections to peanut grading and inspection data will be handled by Federal-State Inspection Service, AMS. Transmitted records with errors in FSA-1007, Section I will be superseded upon approval by the Federal-State Inspection Service, AMS inspector.  <b>Note:</b> There is no need to notify the County Office of superseded or corrected FSA-1007's.
11	Submit end-of-season reconciliation file (Recon.dat) to KCAO after completing all marketing activities for the 2007 crop year.
12	Complete the online peanut handler/sheller and buying point profile survey at <a href="http://content.fsa.usda.gov/peanuts">http://content.fsa.usda.gov/peanuts</a> .
13	Print the buying point number where the peanuts were inspected on the Warehouse Receipt for Peanuts. If using EWR, complete the "Buying Point Number" field as identified in the file layout when creating the receipt.
14	Follow 2007 Industry Guidelines issued by PSD.
15	If using EWR, follow the requirements issued by the Provider.

## Notice LP-2073

### 2 Responsibilities (Continued)

#### F Buying Point Responsibilities

Buying points shall do the following.

Step	Action
1	Install peanut buying point hardware and software following the instructions provided by the affiliated peanut handler/sheller.
2	Continue to use the assigned buying point number and handler number.  <b>Note:</b> New buying point numbers will be assigned by AMS. See Exhibit 1 for Federal-State Inspection Service, AMS contact information.
3	Follow the instructions issued by the peanut handler/sheller about FSA-1007 processing and transmissions.
4	Contact the affiliated peanut handler/sheller representative for technical software support.
5	Inform peanut producers that warehouse-stored MAL's will be processed based on the Warehouse Receipt for Peanuts.
6	Contact Federal-State Inspection Service, AMS for questions about peanut grading, inspection, and FV-95 authentication code signatures.
7	Direct peanut producers to their local County Office for questions about warehouse-stored MAL's and LDP's.
8	Create a backup of all FSA-1007 transmissions, and keep the backup until all marketings for the 2007 crop year have been reconciled.
9	Print the buying point number on the Warehouse Receipts for Peanuts if issuing receipts from this location.
10	Follow 2007 Industry Guidelines issued by PSD.

#### G Federal-State Inspection Service, AMS Responsibilities

Federal-State Inspection Service, AMS shall do the following.

Step	Action
1	Continue to assign buying point numbers, and notify KCAO and PSD of newly assigned numbers.
2	Sign and date FSA-1007, Section I.
3	Approve superseded FSA-1007 to correct errors in a transmitted FSA-1007, Section I.
4	Handle questions about grading, inspection, and FV-95 authentication code signatures.
5	Issue official FSA-1007 serial numbers provided by PSD.

**2 Responsibilities (Continued)**

**H DACO Responsibilities**

DACO shall do the following.

Step	Action
1	Handle questions about peanut warehouses storing farmer's stock peanuts offered as collateral for warehouse-stored MAL's.
2	Handle issues about rates for storage, receiving, and loadout for warehouse-stored loan collateral and forfeited peanuts, when applicable.
3	Handle questions about Peanut Storage Agreements and Warehouse Receipts for Peanuts.
4	Handle warehouse receipt corrections for peanuts, as applicable.
5	Maintain a current list of approved peanut warehouses. The list is available at <a href="http://content.fsa.usda.gov/approved_whses/peanuts/approved_peanut_whses.asp">http://content.fsa.usda.gov/approved_whses/peanuts/approved_peanut_whses.asp</a> .

**I Provider Responsibilities**

The Provider shall do the following.

Step	Action
1	Provide assistance and information to peanut shellers/handlers interested in using EWR's at their warehouse locations.
2	Store and maintain a centralized database of all EWR's in a secure manner.
3	Provide County Offices with warehouse receipt data to process loans and LDP's in APSS.

**3 Marketing of Segregation 1, Segregation 2, and Segregation 3 Peanuts**

**A Segregation 1 Peanuts**

Segregation 1 peanuts are subject to premiums and discounts based on the grade factors shown on the warehouse receipt.

**B Segregation 2 and 3 Peanuts**

Segregation 2 and 3 peanuts are eligible for nonrecourse MAL's or LDP's. The quantity of Segregation 2 and 3 peanuts eligible for loan or LDP shall be the net weight (excluding foreign material and excess moisture) of the load, and including the loose-shelled kernel (LSK) pounds or tons.

## Notice LP-2073

### 3 Marketing of Segregation 1, Segregation 2, and Segregation 3 Peanuts (Continued)

#### B Segregation 2 and 3 Peanuts (Continued)

Segregation 2 and 3 peanuts pledged as collateral for loan will:

- be discounted to 35 percent of the national loan rate for the applicable type
- **not** be subject to any other premiums or discounts.

Segregation 2 and 3 peanuts are eligible for LDP. Eligible quantity will be based on net quantity according to the acceptable production evidence.

#### C Reinspecting Segregation 3 Peanuts

Farmer's stock peanuts graded Segregation 3 may be reconditioned at the buying point to remove foreign material and LSK's. When a load of peanuts is presented for regrade, a copy of FV-95 must be presented to the inspector to identify the load.

### 4 Peanuts Harvested for Green Peanuts

#### A Definition of Green Peanuts

Green peanuts are peanuts that, before drying or removal of moisture from the peanuts either by natural or artificial means, are marketed by the producer for consumption exclusively as boiled peanuts.

**Note:** Peanuts harvested as green peanuts are eligible for LDP's.

#### B Using NAP Crop Planting Periods

To ensure that producers receive LDP program benefits for the applicable crop years production, County Offices shall use the NAP crop planting periods to establish final planting and harvest dates for green peanuts since there is a wide range of planting and harvest dates in some States.

#### C NAP Crop Information Tables

See 1-NAP, Exhibit 7.1 for NAP crop information tables.

**Note:** County Offices **must** determine the maximum eligible quantity according to 8-LP, paragraph 536.

## Notice LP-2073

### 5 Statement of Charges

#### A Authorizing Offsets of Unpaid Charges

8-LP, paragraph 410 provides policies for authorizing offsets of amounts, contained on a separate statement of unpaid charges or a separate bill for unpaid charges, from the loan proceeds. These charges must be associated with the:

- handling of the commodity represented by the warehouse receipt
- marketing of the commodity pledged for loan collateral.

For peanuts, County Offices are authorized to **only** offset charges associated with cleaning, drying, custom harvesting, seed accounts, storage, and in-handling of peanuts from the producer's loan proceeds. These charges are **not** considered a lien, but must be included on CCC-679, item 8 (3), if an offset will be made for these charges. Storage charges can be offset only if the warehouse receipt indicates storage has been paid or provided for, as applicable. See Notice LP-2043 for questions and answers on authorized peanut loan deductions.

#### B Request for Additional Charges To Be Offset

State and County Offices and DMA's must request DAFP concurrence for any charges, except for cleaning, drying, custom harvesting, seed accounts, storage, and in-handling costs associated with the handling of peanuts that will be offset from a producer's loan proceeds.

### 6 Minimum Quality Standards

#### A Definition of Segregation 1 Peanuts

Segregation 1 peanuts are farmer stock peanuts:

- with no more than 2.49 percent damaged kernels
- with no more than 1 percent concealed damage caused by rancidity, mold, or decay
- that are free from visible *Aspergillus flavus*.

#### B Definition of Segregation 2 Peanuts

Segregation 2 peanuts are farmer stock peanuts:

- with more than 2.49 percent damaged kernels
- with no more than 1 percent concealed damage caused by rancidity, mold, or decay
- that are free from visible *Aspergillus flavus*.

#### C Definition of Segregation 3 Peanuts

Segregation 3 peanuts are farmer stock peanuts with visible *Aspergillus flavus*.

**6 Minimum Quality Standards (Continued)**

**D Loan Eligibility**

For loan eligibility, peanuts:

- must **not** contain less than 2.49 percent or more than 10.49 percent moisture
- that contain more than 10.49 percent foreign material will be discounted according to the discount table provided in a future PS notice.

**7 Designation of Agent (CCC-605P and CCC-605P-2)**

**A Producer Responsibility**

Producers may designate an agent to redeem all or a portion of the peanuts pledged as collateral for MAL.

Designation of an agent does **not** relieve the producer from the terms and conditions of the note and security agreement. Agents:

- designated may transfer the designation to a subsequent agent on CCC-605P by endorsement
- subsequently designated may transfer the designation to other subsequent agents on CCC-605P-2 by endorsement.

**B Authorized Signatures of Agents**

Each peanut sheller/handler or entity **must** provide a list of authorized agents/representatives with sample signatures for designated agents from their company to PSD and the State Office. The State Office will provide a copy of all authorized agents' signatures to each peanut County Office in their State.

**C Clarification**

CCC-605P, item 12 will only need to be signed by the agent if requesting for commodity certificate exchange.

## Notice LP-2073

### 8 Peanut MAL's and LDP Provisions

#### A Peanuts Harvested for Hay

Peanuts harvested for hay are eligible for LDP's. County Offices must determine the maximum eligible quantity according to 8-LP, paragraph 536.

#### B Warehouse Storage and In-Handling Charges

The 2002 Act required CCC to pay storage, in-handling, and other associated costs for all peanuts placed in the MAL program through the 2006 crop year. WID has been responsible for setting these rates for the 2002 through 2006 crop years. This mandate was terminated with the 2007 crop year. Based on the termination of this policy, new guidelines, procedures, and a method for collecting storage and in-handling from producers who place their peanuts in the MAL program have been implemented for the 2007 crop year. However, APSS will continue to handle all charges associated with warehouse-stored MAL peanuts before the 2007 crop year.

#### C New Mandatory Data Fields on Warehouse Receipts

New data fields will be included as enhancements to the paper receipt and EWR for the 2007 crop year. The new data fields are as follows:

- "Storage Charge Per Ton" (required)
- "Date Storage Paid Through" (required)
- "Prepaid In-charge Per Ton" (optional)
- "Prepaid Out-Charge Per Ton" (optional)
- "Total Prepaid In/Out Charges" (optional).

#### D Storage Collection or Loan Rate Reduction Options

For peanuts that are placed under warehouse-stored MAL for the 2007 crop year, producers have the following storage options at loanmaking and at the time of repayment.

<b>IF the warehouse receipt is issued by the warehouse indicating that storage charges...</b>	<b>THEN...</b>
<b>have been</b> paid through or provided for through loan maturity	<ul style="list-style-type: none"><li>• FSA will <b>not</b> reduce the loan rate</li><li>• at the time MAL is repaid, FSA will use the normal repayment process.</li></ul>

Notice LP-2073

8 Peanut MAL's and LDP Provisions (Continued)

D Storage Collection or Loan Rate Reduction Options (Continued)

<b>IF the warehouse receipt is issued by the warehouse indicating that storage charges...</b>	<b>THEN...</b>
<p>have <b>not been</b> paid or provided for through loan maturity</p>	<ul style="list-style-type: none"> <li>• reduce the loan rate by the amount of unpaid storage charges through loan maturity</li> </ul> <p><b>Notes:</b> To establish the amount of unpaid storage, FSA will use the “Date Storage Paid Through” to determine whether it is earlier than the loan maturity date, therefore calculating the number of months and days of unpaid storage from the day after “Date Storage Paid Through” to loan maturity.</p> <p>If “Date Storage Paid Through” is not provided, then the number of days of unpaid storage charges will be calculated from the day after “Date Document Received” through loan maturity.</p> <ul style="list-style-type: none"> <li>• before loan repayment, if the MAL rate was <b>reduced</b>, FSA will allow the producer/agent to provide proof that warehouse storage charges have been paid or provided for during the period for which the storage was previously deducted. Accordingly, the dates and loan amount will be adjusted to reflect the deducted storage amount and MAL will be adjusted to account for an additional cash disbursement.</li> </ul>

E Peanuts Forfeited to CCC

If MAL is **not** repaid within the 9-month period and the peanuts are subsequently forfeited to CCC, storage charges will be handled as follows.

<b>IF storage charges were...</b>	<b>THEN...</b>
<p>paid through maturity</p>	<p>CCC will pay storage charges to the warehouse starting the day after loan maturity through final disposition.</p>
<p><b>not</b> paid and the loan rate was reduced by FSA by the amount of unpaid storage</p>	<p>CCC will pay storage charges to the warehouse from the later of the “Date Storage Paid Through” or the “Date Document Received” through final disposition, when applicable.</p> <p><b>Note:</b> The producer will be billed for storage charges incurred from storage start date to date all documents received, if applicable.</p>
<p>paid beyond maturity</p>	<p>CCC will refund to the producer all storage charges paid beyond maturity.</p>

## Notice LP-2073

### 8 Peanut MAL's and LDP Provisions (Continued)

#### F Loan Rates by Peanut Type

The 2007 crop approved loan rates by peanut type were issued in Notice LP-2064.

#### G Beneficial Interest

To obtain MAL or LDP, producers **must** have beneficial interest in peanuts at the time of the request. CCC has determined that if a producer has control of the commodity, it is assumed that the producer has risk of loss of the commodity; therefore, the risk of loss component is removed when determining whether a producer has beneficial interest in the commodity. Beneficial interest consists of the producer maintaining control of the commodity and title to the commodity. If either of these conditions are **not** true, the producer does **not** have beneficial interest in peanuts. There are **no** provisions for waiving beneficial interest for 2007 and subsequent crop years.

**Notes:** For the 2007 crop year, FSA-1007 may be considered acceptable production evidence only if a producer has filed a completed CCC-633 EZ, pages 1 and 2, and the peanuts are immediately sold upon delivery. The date the peanuts are sold will be the date:

- printed in the "Date Delivered for Immediate Sale" field under FSA-1007, columns R, S, and T
- used when determining when beneficial interest is lost.

This date should **not** exceed 72 hours from "Date Inspected" in FSA-1007, Section I.

#### H Approved Contracts

Any contract that has been reviewed by FSA for determining the loss of beneficial interest is **not** interchangeable or replaceable unless the contract is amended, revised, or canceled before the earlier of the date:

- peanuts are harvested
- beneficial interest is lost.

Any written and/or verbal agreement or revision to a contract, with or without the producer's awareness, may cause the producer to lose beneficial interest and could result in refund of unearned benefits to CCC.

#### I Loan Service Fee

The service fee for peanut loans shall be the smaller of either of the following:

- 1/2 of 1 percent times the gross loan amount
- \$45 per loan plus \$3 for each receipt or bin more than 1.

**Exception:** This fee is not applicable to DMA's.

## Notice LP-2073

### 8 Peanut MAL's and LDP Provisions (Continued)

#### J Eligible Farm Storage

Peanuts stored in approved farm storage structures are eligible for farm-stored loans. Eligible farm storage structures must:

- be located on or off the farm, excluding public warehouses
- provide safe storage for the peanuts through the loan maturity date
- be measurable.

Peanuts can be stored in bags if all of the conditions provided in 8-LP, paragraph 424 are met for storing commodities in bags. Peanut wagons are considered eligible storage structures for farm-stored loans.

**Exception:** DMA's are not authorized to process farm-stored loans.

#### K National Posted Price (NPP)

NPP for peanuts will:

- be announced each Tuesday at 3 p.m. e.t. for each of the 4 types of peanuts
- become effective on Wednesday at 12:01 a.m.

NPP rates are used to determine the alternative loan repayment rates for MAL's and to determine LDP's. Producers will repay outstanding peanut MAL's at a rate that is the lesser of the principal plus interest or NPP. When NPP for peanuts is less than the national loan rate for the applicable type, producers can request LDP instead of MAL.

The rates can be obtained at [http://www.fsa.usda.gov/Internet/FSA\\_File/peanut.xls](http://www.fsa.usda.gov/Internet/FSA_File/peanut.xls).

#### L Peanut EWR

PSD has been authorized to continue using EWR's for peanuts for the 2007 crop year. The Provider will be responsible for maintaining a central database for all EWR's for peanuts. Following the guidelines issued by FSA, the Provider, operating under an agreement with DACO, shall:

- store, transfer, and cancel the movement of EWR information in a secure manner
- provide PSD with peanut EWR data that will be used by APSS in the County Office to process MAL's and LDP requests.

Notice PS-605 provides instructions for using peanut EWR's. The EWR User Guide is available at [http://www.fsa.usda.gov/Internet/FSA\\_File/peanutewr-userguide04.ppt](http://www.fsa.usda.gov/Internet/FSA_File/peanutewr-userguide04.ppt).

## Notice LP-2073

### 8 Peanut MAL's and LDP Provisions (Continued)

#### M Peanut Promotion and Research Fees

7 CFR Part 1405 provides CCC the authority to collect commodity assessments from the proceeds of MAL's when the proceeds from MAL's are disbursed.

The following entities are the authorized commodity assessment deductions for the 2007 crop year.

Entity Name	Applicability	Rate
National Peanut Board	All farm-stored and warehouse-stored MAL's	1 percent of total loan amount
North Carolina Peanut Growers Association	All farm-stored and warehouse-stored MAL's for peanuts produced in North Carolina	\$.15 per pound or \$3 per ton of loan quantity
Oklahoma Peanut Commission	All farm-stored and warehouse-stored MAL's for peanuts produced in Oklahoma	\$4 per ton of loan quantity (effective for the 2007 crop year)
South Carolina Peanut Board	All farm-stored and warehouse-stored MAL's for peanuts produced in South Carolina	\$2 per ton of loan quantity
Texas Peanut Producers Board	All farm-stored and warehouse-stored MAL's for peanuts produced in Texas	\$2 per ton of loan quantity

The amount deducted will be printed on CCC-677's and CCC-678's as:

- marketing assessment for the National Research and Promotion fee
- assessment for all authorized State commodity assessment fees.

#### N DMA and CMA Peanut Research and Promotion Fee Collection

Peanut DMA's and CMA's shall be responsible for collecting the research and promotion fee from the producer and remitting that amount to the National Peanut Board and all approved applicable State entities. DMA and CMA Service County Offices **must** enter zero in the "Marketing Assessment" field.

## Notice LP-2073

### 8 Peanut MAL's and LDP Provisions (Continued)

#### O Determining MAL and LDP Quantities

Eligible quantities for:

- MAL's on warehouse-stored Segregation 1, 2, and 3 peanuts shall be "Total Tons", which is the sum of "Net Tons" and "Net LSK Tons", from the Warehouse Receipt for Peanuts
- LDP's requested on all grades of peanuts using:
  - a Warehouse Receipt for Peanuts shall be "Total Tons", which is the sum of "Net Tons" and "Net LSK Tons"
  - FSA-1007 shall be the "net weight" provided on FSA-1007, Section II, item G.

Applicable LDP rates for peanuts can be obtained at [http://www.fsa.usda.gov/Internet/FSA\\_File/Peanut.xls](http://www.fsa.usda.gov/Internet/FSA_File/Peanut.xls).

**Note:** See Exhibit 2 for examples of determining eligible MAL and LDP quantities.

### 9 Peanut Warehouse-Stored Loans

#### A Peanut Forfeitures

8-LP, Part 11 is applicable for processing peanut warehouse-stored loan forfeitures. However, County Offices, peanut CMA's, and DMA's should follow steps in 1-CMA, Notices LP-2067 and PS-606 to determine whether the producer shall be billed for storage from the date the commodity was put into storage to the date before all loan documents are received by the County Office. Forfeited EWR's shall be handled according to Notice PS-605.

**Exception:** Peanut warehouse-stored loan forfeitures should be processed in APSS immediately. There is **no** waiting period after the loan maturity date.

#### B Reconciling Peanut Warehouse-Stored Loans

See 8-LP, Part 8, Section 3 and Notice PS-606 for policy and procedures for reconciling peanut warehouse-stored loans.

## Notice LP-2073

### 10 FSA National Help Desk Technical Assistance

#### A Contact Information

Designated peanut handler/sheller representatives may call the FSA National Help Desk at 816-926-1552 for technical support relating to FSA-DCC and FSA-1007 transmissions.

#### B Hours of Operation

FSA National Help Desk calls:

- will be answered directly Monday through Friday from 8 a.m. to 5:30 p.m. c.t.
- received after workhours will be recorded by voicemail and returned the next workday morning.

**Federal-State Inspection Service, AMS Contact Information**

The following are Federal-State Inspection Service, AMS contact persons, addresses, and telephone numbers.

<b>Southeast (Georgia, Alabama, Florida, and Mississippi)</b>	
<b>Federal Contacts</b>	<b>State Contacts</b>
<p>Mr. Gary Verheek                      Mr. Robert Spann                      Federal Program Managers                      USDA, AMS, Fruit and Vegetable Program                      (FVP), Fresh Products Branch                      PO Box 3999                      Haines City, FL 33845-3999</p> <p><b>Telephone:</b> 863-421-0973  <b>FAX:</b> 863-421-6783</p>	<p>Mr. Donald Dozier                      Alabama Federal-State Inspection Service                      PO Box 1368                      Dothan, AL 36302  <b>Telephone:</b> 334-792-5185; <b>FAX:</b> 334-671-7984</p> <p>Mr. Bill Kirby                      Florida Federal-State Inspection Service                      PO Box 566                      Graceville, FL 32440  <b>Telephone:</b> 850-263-2355; <b>FAX:</b> 850-263-7382</p> <p>Mr. Charles Beasley                      Florida Federal-State Inspection Service                      PO Box 1072                      Winter Haven, FL 33882-1072  <b>Telephone:</b> 863-291-5820; <b>FAX:</b> 863-291-5215</p> <p>Mr. Ronald Wood                      Georgia Federal-State Inspection Service                      PO Box 71767                      Albany, GA 31708-1767  <b>Telephone:</b> 229-432-7505; <b>FAX:</b> 229-438-8920</p> <p>Mr. Kevin Riffin                      MDAC/Federal State Inspection Service                      PO Box 1609                      Jackson, MS 39215-1609  <b>Telephone:</b> 601-359-1138; <b>FAX:</b> 601-359-1125</p>

Federal-State Inspection Service, AMS Contact Information (Continued)

Virginia-Carolina (Virginia, North Carolina, and South Carolina)	
Federal Contacts	State Contacts
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Southwest (Texas, Oklahoma, New Mexico, and Arkansas)	
Federal Contacts	State Contacts
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**Example of Determining Eligible MAL and LDP Quantities**

**Example 1:** A warehouse receipt was used to determine the eligible loan quantity.

Producer A presents a warehouse receipt and makes a request for MAL on Segregation 1, 2, or 3, Runner type peanuts. The warehouse receipt contains the following information.

- “Net Pounds” = 8,200
- “LSK Pounds” = 165

Eligible quantity:

- pounds:  $8,200 + 165 = 8,365$
- tons:  $8,200 \div 2,000 = 4.10$
- tons:  $165 \div 2,000 = \underline{.08}$   
4.18

Loan rate per ton of Segregation 1, Runner peanuts:

\$355.19

Loan amount:

$\$355.19 \times 4.18 = \$1,484.69$

Loan rate per ton of Segregation 2 and 3, Runner peanuts:

35 percent of \$355.19 = \$124.32/ton

Loan amount:

$\$124.32 \times 4.18 = \$519.66$

**Note:** Premiums and discounts were **not** applied to the Segregation 1 example.  
Premiums and discounts are **not** applicable to Segregation 2 and 3 peanuts.

**Example of Determining Eligible MAL and LDP Quantities (Continued)**

**Example 2:** A warehouse receipt was used as production evidence to determine eligible LDP quantity.

Producer B presents a warehouse receipt and makes a request for LDP on Segregation 1, 2, or 3, Virginia type peanuts. The warehouse receipt contains the following information.

- “Net Pounds” = 10,000
- “LSK Pounds” = 345

Eligible quantity:

- pounds:  $10,000 + 345 = 10,345$
- tons:  $10,000 \div 2,000 = 5.00$
- tons:  $345 \div 2,000 = \underline{\underline{.17}}$   
5.17

Loan rate per ton of Segregation 1, Virginia peanuts:

\$355.32

NPP for Virginia peanuts:

\$341.66

LDP rate per ton of Virginia peanuts:

$\$355.32 - \$341.66 = \$13.53/\text{ton}$

LDP amount:

$\$13.53 \times 5.17 = \$69.95$

**Example of Determining Eligible MAL and LDP Quantities (Continued)**

**Example 3:** FSA-1007 was used as production evidence to determine eligible LDP quantity.

Producer C presents FSA-1007 and makes a request for LDP on Segregation 1, 2, or 3, Valencia type peanuts. FSA-1007 contains the following information.

- FSA-1007, Section II, item G = 6,000 pounds

Eligible quantity:

- pounds: 6,000
- tons:  $6,000 \div 2,000 = 3$

Loan rate per ton of Segregation 1, Valencia peanuts:

\$354.32

NPP for Valencia peanuts:

\$338.66

LDP rate per ton of Valencia peanuts:

$\$354.32 - \$338.66 = \$16.66/\text{ton}$

LDP amount:

$\$16.66 \times 3 = \$49.98$