

For: State and County Offices

2010 Crop Year Wool, Mohair, and Unshorn Pelt MAL's and LDP's

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (the 2008 Act) authorized 2008 through 2012 crop year nonrecourse MAL's and LDP's available to eligible producers of wool and mohair. The 2008 Act increases the loan rate for graded wool beginning with the 2010 crop year. The 2010 crop national average loan rates for the following commodities were announced on December 1, 2009:

- graded wool
- ungraded wool
- mohair.

Loan rates, premiums, and discounts for 2010 crop graded and ungraded wool have been changed to national rates rather than regional rates.

The 2010 crop year for wool, mohair, and unshorn pelts begins on January 1 and ends on December 31, 2010. The final date to request a 2009 crop MAL or LDP for wool, mohair, and/or unshorn pelts from lambs slaughtered in 2009 is Monday, **February 1, 2010**.

Note: Unshorn pelts are **only** eligible for LDP.

B Purpose

This notice provides State and County Office with:

- 2010 through 2012 crop wool and mohair loan rates
- new policy for regional posted prices for 2010 crop wool and mohair
- a reminder about CCC-633 EZ policy
- 2010 premiums and discount schedule.

Disposal Date	Distribution
June 1, 2010	State Offices; State Offices relay to County Offices

Notice LP-2140

2 2010-Crop Wool, Mohair, and Unshorn Pelt Policy

A Loan Rates for 2010 Through 2012 Crop Years

The 2008 Act raised the loan rate for graded wool from \$1 per pound to \$1.15 per pound during crop years 2010 through 2012.

Loan rates and posted prices for graded and ungraded wool were announced by regions for the 2002 through 2009 crop years. There will be **no** regional loan rate differentials for 2010 through 2012 graded and ungraded wool. Mohair will continue to be announced as a national rate.

The following provides loan rates for 2010 through 2012 crop years.

Crop	2010 through 2012 Crop Year Loan Rates
Graded Wool	\$1.15 per pound
Ungraded Wool	\$0.40 per pound
Mohair	\$4.20 per pound

B Regional Posted Prices

Beginning with 2010 crop, graded and ungraded wool regional posted prices will **not** be announced. A national posted price for 2010 crop wool and mohair will be announced weekly. County Offices shall use the ungraded wool posted price for determining the LDP rate for unshorn pelts.

Note: Regional posted prices for 2009 crop wool and unshorn pelts and the national posted price for mohair will continue to be announced through January 2010.

C Premiums and Discounts

Loan rates will be adjusted **at settlement** for applicable premiums and discounts, according to the 2010 crop year specific schedule provided in Exhibit 1.

The ungraded wool premium and discount schedule for region 2 will be used as the national 2010 crop year schedule (Exhibit 2).

The mohair premium and discount schedule for crop year 2010 will remain the same as previous crop years.

Notice LP-2140

3 Action

A State Office Action

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

B County Office Action

County Offices shall:

- use only national posted price for 2010 crop wool and mohair
- continue to follow 8-LP and this notice for assistance in administering MAL's and LDP's
- accept CCC-633 EZ, page 1's from 2010 crop wool, mohair, and unshorn pelt producers
- use every available resource to inform producers and farm organizations of the content of this notice.

Notes: CCC-633 EZ, pages 1 and 4, for wool, mohair, and unshorn pelts **must** be:

- approved when all eligibility requirements are met
- date-stamped when CCC-633 EZ, pages 1, 4, and 5, if applicable, are received in the County Office to indicate the intention and request dates.

When any CCC-633 EZ pages are received in the County Office, and the FAX machine preprints the correct date and time or the date is printed on an eForm submission, the date stamp is **not** required.

2010 Crop Year Specific Schedule of Premiums and Discounts

Loan rates will be adjusted at settlement for applicable premiums and discounts, according to the 2010 crop year specific schedule as follows.

Graded Wool Loan National Discounts (Apply At Settlement Only).								
2010 Crop Year Graded Wool Discounts								
	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
Loan rate	3.88	3.38	2.94	2.72	2.56	2.33	1.78	1.38
Type:								
Bellies	1.94	1.69	1.47	1.36	1.28	1.17	0.89	0.69
Pieces	1.94	1.69	1.47	1.36	1.28	1.17	0.89	0.69
Locks/Tags	2.91	2.54	2.21	2.04	1.92	1.75	1.34	1.04
Crutchings	2.91	2.54	2.21	2.04	1.92	1.75	1.34	1.04
Blackface	1.94	1.69	1.47	1.36	1.28	1.17	0.89	0.69
Black wool	3.49	3.04	2.65	2.45	2.30	2.10	1.60	1.24
35 micron and over								1.24
Preparation: 1/								
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
Length: 1/								
Less than 1/4 inch under minimum	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
1/4 or more, but less than 1/2 inch under minimum	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
1/2 to 1 inch under minimum	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Less than 2 inches	2.33	2.03	1.76	1.63	1.54	1.40	1.07	0.83
Vegetable matter:								
0-2%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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
Other:								
Damaged, stained, muddy, wet, non-merchantable	3.88	3.38	2.94	2.72	2.56	2.33	1.78	1.38
Polypropylene contamination	3.88	3.38	2.94	2.72	2.56	2.33	1.78	1.38
1/ Applies to fleece wool only. Does not apply to offsorts, that is, lots or bags that are solely bellies, pieces, locks/tags, or crutchings.								

Premiums and Discounts for 2010 and Subsequent Crop Year Wool

A Ungraded Wool Discounts for Offsorts

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

Factor/Type/Description	National Discount Per Pound
Bellies	\$0.20
Black Wool	\$0.36
Blackface	\$0.20
Crutchings	\$0.30
Locks/Tags	\$0.30
Pieces	\$0.20

B Ungraded Wool Discounts for Length

The following provides national 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	National Discount Per Pound
2.76 – 2.99	\$0.10
2.51 – 2.75	\$0.15
2.00- 2.50	\$0.20
Under 2.00	\$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 provides national CCC discounts based on miscellaneous factors. Subtract the per pound discount from the applicable loan rate.

Factor/Description	National Discount Per Pound
Polypropylene Contamination	\$0.40
Unmerchantable	\$0.40