

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

**Processing 2004 Peanut Loans and LDP's Using APSS County Release No. 541**

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



**1 Overview**

**A Background**

County Release No. 541, mailed on July 5, 2004, includes the following enhancements to APSS covering peanut marketing assistance loans and LDP's for the 2004 year:

- updated 2004 crop year:
  - loan rates
  - premiums and discount tables
- modified manner of calculating the warehouse 'load-in' charges for peanuts
- modified APSS Screen:
  - PAA79035, to remove the requirement to enter the 'load-in' rate for peanuts for the 2004 and subsequent crop years
  - PLC40000, to eliminate some data entry requirements
  - PLC23500, to re-arrange the order of data entry requirements
  - PLC10005, to provide the ability to capture the State where the peanuts were inspected
- enhanced record transferred to Accounting to include the State where the peanuts were inspected

<b>Disposal Date</b>	<b>Distribution</b>
August 1, 2005	State Offices; State Offices relay to County Offices, CMA's and DMA's.

## Notice PS-492

### 1 Overview (Continued)

#### A Background (Continued)

- enhanced Warehouse Receipt for Peanuts generated by APSS and the peanut warehouse 'load-in' Charges Report generated by Accounting to include the State where the peanuts were inspected.

#### B Purpose

This notice provides instructions to State and County Offices for processing peanut loans and LDP's for the 2004 crop year.

### 2 Basic Peanut Loan and LDP Program Information

#### A General References

County Offices shall refer to the following handbooks for general guidelines in processing peanut loans and LDP's:

- 12-PS, for general instructions related to APSS
- 8-LP, for general policies and procedures relating to loans and LDP programs.

A future LP Notice will have additional policies and procedures for processing peanut loans and LDP's for the 2004 crop year.

#### B Loan Availability and Maturity Dates

The final loan availability date for peanuts will be **January 31** of the year following the harvest. Loans shall mature no later than the last day of the 9<sup>th</sup> calendar month following the month in which the Note and Security Agreement was approved.

#### C Peanut Loan Rate for the 2004 Crop Year

APSS will **automatically upload** the 2004 loan rates for peanuts in the Commodity Loan Rate Table for Peanuts in the County-Maintained Table File. Refer to Notice LP-1963 for peanut loan rates for the 2004 crop year.

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### 2 Basic Peanut Loan and LDP Program Information (Continued)

#### D Warehouse Name and Address

Starting the 2004 crop year, users will not be required to enter the warehouse information in the Other Name and Address file. The amount of 'load-in' charges shall be determined by the physical location of the buying point where the official farmers stock inspection was conducted. The State Code for the State where the peanuts were inspected as indicated by the first two digits of the buying point number shall be entered on Screen PLC10005.

#### E Offer Shipping Rate Table

County Offices must enter the 2004 peanut warehouse charges on the Offer Shipping Rate Table in the following manner:

- access the Peanut Offer Shipping Rate Table, option 6, from Menu PAA79000
  - Enter "U" to update the table
  - enter the warehouse code assigned to the warehouse
  - Enter "7/01/04" as the Effective Date
  - enter "N" or "Y" to the question, "Is this a merged warehouse?"
- on Screen PAA79035 Enter the following warehouse rates:
  - Storage Rate - \$2.71 per ton per month
  - Load Out Rate - \$8.00 per ton

**Note:** Users will **not** be required to enter the 2004 'load-in' rate for peanuts in the Offer Shipping Rate Table. The 'load-in' rates will be built in the software.

Refer to Notice LP-1964 for the rates of peanut warehouse charges for the 2004 crop year.

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### 2 Basic Peanut Loan and LDP Program Information (Continued)

#### F Other Peanut Loan and LDP Features

The following program features are the same as the 2003 crop year:

- commodity code and peanut type abbreviation
- interest rate
- service fees
- program codes for loans and LDP's
- assignments
- commodity certificate exchange.

### 3 Processing Peanut Loans and LDP's in APSS

#### A Peanut Loan and LDP Processing

Process peanut loans and LDP's by selecting the applicable option from the Price Support Main Menu PCA005. These options are the same as the 2003 crop year.

#### B Peanut Loan Information

Starting the 2004 crop year, if a user enters a warehouse code on Screen PLC10000 that is **not** in the Other Name and Address file, a message "Whse code not found. Please correct, or if approved code, press Enter" will be displayed. If the correct warehouse is entered, the user will be prompted to enter the State and County Codes where the warehouse is located.

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### 3 Processing Peanut Loans and LDP's in APSS (Continued)

#### C Date Document Received

When processing warehouse-stored loan, enter the "Date Document Received" date on Screen PLC10005 using the actual date all required loan documents were received by the County Office, which shall be the later of the dates the following documents were received by the County Office:

- loan application
- warehouse receipt or the date when CCC becomes the holder of the receipt for EWR's
- other applicable documents, like lien waiver (excluding lien search).

The "Date Document Received" date will continue to be used to calculate the storage credit applicable to each warehouse-stored loan.

Starting with the 2004 crop year, users shall enter on Screen PLC10005, the first 2 digits of the buying point number for the State where the peanuts were inspected according to the warehouse receipt. This field will be automatically filled when using EWR's.

**Note:** Each warehouse-stored loan must include warehouse receipts for peanuts graded in buying points with identical first 2 digits of the buying point number as shown on the warehouse receipt.

#### D Peanut Warehouse Receipt Validation

For the 2004 and subsequent crop years, Screen PCA400000 has been modified to **not** require the entry of the following data:

- Net Pounds
- LSK Pounds
- Total Pounds
- In Transportation Code.

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3 Processing Peanut Loans and LDP's in APSS (Continued)

D Peanut Warehouse Receipt Validation (Continued)

The following is an example of the modified Screen PLC40000:

```
083 - LEFLORE                                     PLC40000
PRICE SUPPORT - LOAN MAKING                       Version: AC73   08-01-03  8:32  Term M0
ABC PEANUT COMPANY                               CY 03 LOAN#   001 COMM Pnut
-----
PEANUT WAREHOUSE RECEIPT VALIDATION

Warehouse Receipt Number                          101
Date Receipt Issued (MMDDYY)                      080103
Storage Date (MMDDYY)                            080103

Net Tons                                           21
LSK Tons                                           .5
Total Tons                                         21.5

Press "Enter" To Continue   Cmd3=Previous Screen   Cmd7=End of Job
```

E Grading Factors for Peanuts

Starting the 2004 crop year, Screen PLC23500 has been modified to prompt the entry of the grade factor data in the same order as they appear in the paper warehouse receipt.

The following is an example of Screen PLC23500.

```
083 - LEFLORE                                     PLC23500
PRICE SUPPORT - LOAN MAKING                       Version: AC73   08-01-03  8:32  Term M0
ABC PEANUT COMPANY                               CY 03 LOAN#   001 COMM Pnut
-----
GRADING FACTORS INPUT - PEANUTS

Receipt Number                                     1

Grade ..... 1      Moisture ..... 9.00
Foreign Material ..... 4.25  Sound Spits..... 5.25
Total SMK ..... 70.00  Other Kernels..... 5.50
Total Damage ..... 1.00  Hulls..... 24.00
Total Kernels/Hulls..... 100.00  Concealed RMD..... .05
ELK ..... 42.00

Do you have additional Receipts? (Y or N)  __

Press "Enter" To Continue   Cmd3=Previous Screen   Cmd7=End of Job
```

The requirements and validations applicable to the grade factors are the same as the 2003 crop year.

**IMPORTANT:** Use the TAB key and **not** the Field Exit key to move from one field to another.

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### **3 Processing Peanut Loans and LDP's in APSS (Continued)**

#### **F Premiums and Discounts for Peanuts**

The premiums and discounts for Total SMK percent shown on Exhibit 1 have been updated to reflect the rates for the 2004 crop year. All other premiums and discounts shown on Exhibits 2 and 3 are the same as the 2003 crop year.

The manner of applying premiums and discounts to Seg. 1 warehouse-stored peanuts remain unchanged. Seg. 2 and Seg. 3 warehouse-stored peanuts will be discounted to 35 percent of the 2004 national loan rate for the applicable peanut type with no additional premiums and discounts.

#### **G Determining Loan Quantity and Loan Amount for Peanuts**

APSS will determine the loan quantity and loan amount for peanuts in the same manner as the 2003 crop year.

#### **H Warehouse Receipt Summary for Peanuts**

Use the Warehouse Receipt Summary for Peanuts to verify the data associated with the loan. The report has been enhanced to include the State where the peanuts were inspected. Verify the amount of 'load-in' charges by multiplying the applicable 'load-in' rate times the loan quantity. An example of the report is shown on Exhibit 4.

#### **I Processing LDP's in APSS**

LDP's will be calculated in the same manner as the previous crop years.

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### 4 Processing Peanut Loan Repayment in APSS

#### A Loan Repayment Options

Screen PPD00000 displays the available loan repayment options. Select the type of repayment to be processed according to this table.

Description	Menu Option
Regular Repayment - calculates repayments at principal plus interest.	Option 1
Commodity Certificate Repayment - calculates certificate exchange at the CCC determined value based on the National Posted Price (NPP) (Alternative Repayment Amount).	Option 2
Market Price Repayment - calculates repayments at the lower of: <ul style="list-style-type: none"><li>principal plus interest</li><li>CCC determined value based on the National Posted Price (Alternative Repayment Amount).</li></ul>	Option 3

#### B Regular Repayment

Select the regular repayment option to repay the loan at principal plus interest. APSS will calculate the interest applicable to the loan subject to January 1 adjustment. Refer to 8-LP, Part 9 for general policies on repayments. Interests are assessed at the earlier of:

- repayment date for loans disbursed by CCC-184
- second day before date of repayment for loans disbursed by EFT
- date of settlement.

Refer to 12-PS, Part 7, Section 2 for additional APSS instructions.

#### C Commodity Certificate Repayment

Select the commodity certificate repayment option for outstanding loan collateral eligible for commodity certificate exchange. Refer to 8-LP, Part 9, Section 8 for policies on commodity certificate exchanges and 12-PS, Part 7 for additional APSS instructions.

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**4 Processing Peanut Loan Repayment in APSS (Continued)**

**D Market Price Repayment**

Select market price repayment option if the loan will not be processed as regular repayment or redeemed using commodity certificates. APSS will calculate market price repayment at the lower of the calculated principal plus interest or the CCC determined value based on the National Posted Price (alternative repayment amount).

The following table provides general information on market price repayment.

<b>IF the...</b>	<b>NPP is Equal to the National Loan Rate (NLR)</b>	<b>NPP is Less than the NLR</b>	<b>NPP is Greater than the NLR</b>
<b>repay is at...</b>	alternative repayment amount	alternative repayment amount	principal plus interest (P+I) <b>but</b> shall not be greater than the alternative repayment amount
<b>interest is...</b>	forgiven	forgiven	partially forgiven if P+I is greater than the alternative repayment amount
<b>market gain is ...</b>	not applicable	the difference between principal liquidated and alternative repayment amount	not applicable
<b>storage credit is...</b> (warehouse-stored loans)	calculated from date documents received to date of repayment	calculated from date documents received to date of repayment	calculated from date documents received to date of repayment

Refer to 8-LP, Part 9, Section 2 for policies on market loan repayment and 12-PS, Part 7, Section 4 for additional instructions on processing market loan repayments.

**5 Peanut ‘Load-in’ Charges**

**A ‘Load-in’ Amount Due**

The Warehouse Receipt Summary for Peanuts, Block 8, ‘‘Load-in’ Charge’’ provide the total amount of ‘load-in’ charges applicable for the loan. Verify this amount by multiplying the loan quantity (net tons plus LSK tons) times the ‘load-in’ rate applicable to the State shown on Block 9.

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### **5 Peanut 'Load-in' Charges (Continued)**

#### **A 'Load-in' Amount Due (Continued)**

Correct errors in the amount of 'load-in' charges for a loan that has been disbursed by reversing the loan and re-entering the corrected loan as a manual action.

#### **B Warehouse Summary Report**

The Warehouse Summary Report generated by Accounting and provided to the warehouse operators receiving 'load-in' payments associated with the warehouse-stored loan has been modified to add the State where the peanuts offered as loan collateral were inspected.

## SMK and SS Premiums and Discounts for Peanuts for the 2004 Crop Year

<b>Total SMK (SMK+ SS)</b>	<b>Virginia</b>	<b>Runner</b>	<b>Spanish</b>	<b>Valencia</b>
85	67.43	56.28	71.07	85.96
84	62.48	51.42	66.24	80.79
83	57.53	46.57	61.41	75.63
82	52.59	41.72	56.58	70.46
81	47.64	36.87	51.76	65.30
80	42.69	32.02	46.93	60.13
79	37.74	27.17	42.10	54.96
78	32.79	22.32	37.28	49.80
77	27.85	17.47	32.45	44.63
76	22.90	12.62	27.62	39.47
75	17.95	7.76	22.80	34.30
74	13.00	2.91	17.97	29.13
73	8.05	-1.94	13.14	23.97
72	3.11	-6.79	8.31	18.80
71	-1.84	-11.64	3.49	13.64
70	-6.79	-16.49	-1.34	8.47
69	-11.74	-21.34	-6.17	3.30
68	-16.69	-26.19	-10.99	-1.86
67	-21.63	-31.04	-15.82	-7.03
66	-26.58	-35.89	-20.65	-12.19
65	-31.53	-40.75	-25.48	-17.36
64	-36.48	-45.60	-30.30	-22.53
63	-41.43	-50.45	-35.13	-27.69
62	-46.37	-55.30	-39.96	-32.86
61	-51.32	-60.15	-44.78	-38.02
60	-56.27	-65.00	-49.61	-43.19
59	-61.22	-69.85	-54.44	-48.36
58	-66.17	-74.70	-59.26	-53.52
57	-71.11	-79.55	-64.09	-58.69
56	-76.06	-84.40	-68.92	-63.85
55	-81.01	-89.26	-73.75	-69.02
54	-85.96	-94.11	-78.57	-74.19
53	-90.91	-98.96	-83.40	-79.35
52	-95.85	-103.81	-88.23	-84.52
51	-100.80	-108.66	-93.05	-89.68
50	-105.75	-113.51	-97.88	-94.85
49	-110.70	-118.36	-102.71	-100.02
48	-115.65	-123.21	-107.53	-105.18
47	-120.59	-128.06	-112.36	-110.35
46	-125.54	-132.91	-117.19	-115.51
45	-130.49	-137.77	-122.02	-120.68
44	-135.44	-142.62	-126.84	-125.85
43	-140.39	-147.47	-131.67	-131.01

## SMK and SS Premiums and Discounts for Peanuts for the 2004 Crop Year (Continued)

<b>Total SMK (SMK+ SS)</b>	<b>Virginia</b>	<b>Runner</b>	<b>Spanish</b>	<b>Valencia</b>
42	-145.33	-152.32	-136.50	-136.18
41	-150.28	-157.17	-141.32	-141.34
40	-155.23	-162.02	-146.15	-146.51
39	-160.18	-166.87	-150.98	-151.68
38	-165.13	-171.72	-155.80	-156.84
37	-170.07	-176.57	-160.63	-162.01
36	-175.02	-181.42	-165.46	-167.17
35	-179.97	-186.28	-170.29	-172.34
34	-184.92	-191.13	-175.11	-177.51
33	-189.87	-195.98	-179.94	-182.67
32	-194.81	-200.83	-184.77	-187.84
31	-199.76	-205.68	-189.59	-193.00
30	-204.71	-210.53	-194.42	-198.17
29	-209.66	-215.38	-199.25	-203.34
28	-214.61	-220.23	-204.07	-208.50
27	-219.55	-225.08	-208.90	-213.67
26	-224.50	-229.93	-213.73	-218.83
25	-229.45	-234.79	-218.56	-224.00
24	-234.40	-239.64	-223.38	-229.17
23	-239.35	-244.49	-228.21	-234.33
22	-244.29	-249.34	-233.04	-239.50
21	-249.24	-254.19	-237.86	-244.66
20	-254.19	-259.04	-242.69	-249.83
19	-259.14	-263.89	-247.52	-255.00
18	-264.09	-268.74	-252.34	-260.16
17	-269.03	-273.59	-257.17	-265.33
16	-273.98	-278.44	-262.00	-270.49
15	-278.93	-283.30	-266.83	-275.66
14	-283.88	-288.15	-271.65	-280.83
13	-288.83	-293.00	-276.48	-285.99
12	-293.77	-297.85	-281.31	-291.16
11	-298.72	-302.70	-286.13	-296.32
10	-303.67	-307.55	-290.96	-301.49
9	-308.62	-312.40	-295.79	-306.66
8	-313.57	-317.25	-300.61	-311.82
7	-318.51	-322.10	-305.44	-316.99
6	-323.46	-326.95	-310.27	-322.15
5	-328.41	-331.81	-315.10	-327.32
4	-333.36	-336.66	-319.92	-332.49
3	-338.31	-341.51	-324.75	-337.65
2	-343.25	-346.36	-329.58	-342.82
1	-348.20	-351.21	-334.40	-347.98
0	-353.15	-356.06	-339.23	-353.15

**Peanut Discounts**

<b>Damage</b>	
<b>Percent</b>	<b>Deduction</b>
1	None
2	\$3.40

<b>Foreign Material</b>	
<b>Percent</b>	<b>Deduction</b>
1	None
2	None
3	None
4	None
5	\$1.00
6	\$2.00
7	\$3.00
8	\$4.00
9	\$5.00
10	\$6.00
11	\$7.00
12	\$8.50
13	\$10.00
14	\$11.50
15	\$13.00
Above 15%	\$13.00 + \$2.00 for each % over 15%

<b>Sound Splits</b>	
<b>Percent</b>	<b>Deduction</b>
1	None
2	None
3	None
4	None
5	\$0.80
6	\$1.60
7	\$2.40
8	\$3.20
9	\$4.00
10	\$4.80
11	\$5.60
12	\$6.40
13	\$7.20
14	\$8.00
15	\$8.80
Above 15%	\$8.80 + \$0.80 for each percent over 15 %

**Peanut Premiums**

<b>Percent Other Kernels Percent x \$1.40</b>	
<b>Percent</b>	<b>Premium</b>
1	1.40
2	2.80
3	4.20
4	5.60
5	7.00
6	8.40
7	9.80
8	11.20
9	12.60
10	14.00
11	15.40
12	16.80
13 to 99	\$1.40 per percent

**Peanut Premiums (Continued)**

<b>ELK Premium Percent Per Ton Virginia Peanuts Only Percent ELK x \$.35</b>	
50	17.50
49	17.15
48	16.80
47	16.45
46	16.10
45	15.75
44	15.40
43	15.05
42	14.70
41	14.35
40	14.00
39	13.65
38	13.30
37	12.95
36	12.60
35	12.25
34	11.90
33	11.55
32	11.20
31	10.85
30	10.50
29	10.15
28	9.80
27	9.45
26	9.10
25	8.75
24	8.40
23	8.05
22	7.70
21	7.35
20	7.00
19	6.65
18	6.30
17	5.95
16	5.60

Warehouse Receipt Summary for Peanuts

WAREHOUSE RECEIPT SUMMARY FOR PEANUTS													1. SI & CO. CODE 05 083		2. CROP YR 04		
													3. LOAN NO. 001		4. DISBURSEMENT DATE 08/01/04		
													5. WAREHOUSE CODE 012345		6. DATE DOCUMENT RCVD. 08/01/04		
7. NAME OF CONTACT PRODUCER JOHN DOE													8. LOAD-IN CHARGE 2,097.38		9. INSPECTION STATE 51		
WHSE RCPT NO	STORAGE START DATE (MMDDYY )	PNUT TYPE SEG	FM	MOI	SS	TOT SMK	DMG KNL	OTH KNL	HULLS	TOTAL KNL & HULLS	ELK	NET TONS (EXCL. LSK)	LOAN RATE TONS (EXCL. LSK)	LSK TONS	LSK VAL	RCPT LOAN AMT	
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	
101	081504	VI3	6.00	9.00	4.00	67.00		4.00	29.00	100.00	28.00	16.66	123.6000	.76	106.40	2153.11	
102	081504	VI2	4.00	10.00	4.00	66.00		4.00	30.00	100.00	34.00	18.18	123.6000	.61	85.40	2322.44	
103	081504	VI1	5.00	8.00	3.00	64.00		5.00	31.00	100.00	28.00	18.67	332.4700	1.05	147.00	6354.21	
<b>TOTAL</b>												53.51		2.42	338.80	10829.76	