

For: State and County Offices

Local Sale of Farm-Stored CCC Inventory Corn

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

Maturing corn marketing assistance loans (MAL's) are eligible for local sale if:

- refused for storage by approved warehouses
- producers are unable to deliver.

8-LP provides policies and procedures for authorizing and announcing local sales of commodities for settlement of farm-stored MAL's. However, CCC is waiving the formal announcement of sale and invitation to bid process for completing on-farm local sales of September and October matured CCC corn MAL's. CCC will offer producers of the farm-stored corn delivered in settlement of MAL's first rights to purchase the inventoried corn.

B Purpose

This notice informs State and County Offices that:

- the formal announcement and the invitation to bid process for conducting local sales are waived for corn MAL's maturing in September and October 2005
- producers who notify County Offices that MAL's will be delivered at maturity are offered first right to purchase the corn.

C Contact

If there are any questions about this notice please contact Kimberly Graham at:

- 202-720-9154
- **Kimberly.Graham@wdc.usda.gov.**

Disposal Date	Distribution
September 1, 2006	State Offices; State Offices relay to County Offices

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2 Sale of Farm-Stored Corn MAL's

A Waiver of Announcement of Sale and Invitation to Bid for Corn MAL's Maturing in September and October

The announcement of the local sale and invitation to bid procedures are waived for corn MAL's maturing in September and October of calendar year 2005.

B Local Sale Policies for Commodities

County Offices shall conduct local sales of September and October 2005 matured corn MAL's when the corn will remain stored on the farm after loan maturity.

The borrower shall have first right to purchase the CCC corn inventory. The purchase must be completed within 60 calendar days of the loan maturity date.

The borrower will be required to contact CCC before loan maturity to indicate their intention to:

- settle the outstanding corn farm-stored MAL by rendering ownership of the stored commodity to CCC effective the date after MAL maturity
- purchase the applicable CCC inventory within 60 calendar days of the MAL maturity date.

Note: CCC inventory means September and October 2005 matured farm-stored corn MAL's.

For producers who fail to notify County Offices of their intentions or the sales proceeds are not received in the County Office within the applicable timeframe, County Offices shall follow procedures in 8-LP, Part 10, Farm-Stored Loan Settlement.

Note: Credit for storage beyond the 60 calendar days after maturity will **not** be applicable to producers who indicate their intent to purchase the settled commodity.

C Determining Settlement Value

The MAL settlement value will be determined using a base quality grade as applicable to #2 grade corn, according to 2-LP Grains and Oilseeds. Premiums and discounts are **not** applicable.

The settled quantity shall be equal to the outstanding loan quantity.

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2 Sales of Farm-Stored Corn (Continued)

D Sales Price of Farm-Stored CCC Corn Inventory

The sales price shall be determined by calculating the applicable CCC corn inventory quantity times the CCC-determined value in effect on the date the payment is received in the County Office for the purchase of CCC inventoried corn. Payments **must** be received within 60 calendar days after the loan maturity date to be considered a valid and completed sale.

3 Action

A State Office Action

State offices shall:

- notify County Offices that the announcement of sale and invitation to bid for mature corn MAL's is waived for September and October 2005, **only**
- ensure that County Offices immediately notify producers with non-recourse corn MAL's maturing in September and October of the contents of this notice
- maintain and provide a register of assigned local sale authorization numbers.

B County Office Action

County Offices shall notify producers of the contents of this notice by mail, e-mail, or in person and provide additional information included in Exhibit 1 on a separate sheet to all producers with non-recourse corn MAL's with September or October maturity dates.

For producers who purchase farm-stored CCC inventory through local sale, County Offices shall:

- request local sale authorization numbers from the State Price Support Specialist
- complete CCC-691, items 1-11 and Part C and attached it to the loan documents and the local sale report
- **not:**
 - complete CCC-638
 - draw a representative sample for the grade determination
 - apply the sales proceeds to the loan principal plus interest
- complete the local sale in APSS according to 8-LP, subparagraphs 1062 C and D
- deposit sales proceeds according to 3-FI, using program code "COMMLOSA".

Additional Information

Include the following data, modified as applicable, on a separate sheet according to subparagraph 3 B.

Producer's Name _____

Loan Number _____

Crop Year _____

Commodity _____

Maturity Date _____

I INTEND TO DO THE FOLLOWING WITH THE LOAN IDENTIFIED ABOVE (circle one):

- 1 REPAY WITH CASH.
- 2 FORFEIT THE ELIGIBLE COMMODITY TO CCC
- 3 REDEEM WITH COMMODITY CERTIFICATE EXCHANGE, IF APPLICABLE.
- 4 SETTLE THE LOAN WITH CCC AND PURCHASE THE APPLICABLE CCC-OWNED COMMODITY WITHIN 60 CALENDAR DAYS OF THE MATURITY DATE.

_____ (Producer's Signature) _____ (Date)

Please return this intention by (maturity date).

Mail to: (County Name) County FSA Office
(Mailing Address)
(City, State, ZIP Code)