

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

Additional Instructions on Handling Peanut Forfeitures

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

CCC shall pay storage for peanut warehouse-stored loans from the "Date Documents Received" date (DDR) to date of repayment or forfeiture. When a peanut warehouse-stored loan is forfeited, APSS creates a receivable in the Common Receivables System for the amount of accrued storage charges from the date the peanuts were stored, based on the "Storage Date" on the warehouse receipt, to the day before DDR. This receivable shall cover the storage charges paid to the storing warehouse by KCCO at forfeiture.

Notices LP-1998 and PS-521 provided instructions to delete or modify the receivable associated with storage charges at forfeiture.

B Purpose

This notice instructs State and County Offices to:

- discontinue adjusting or deleting the receivables for accrued storage at forfeiture
- not issue refunds for forfeiture receivables that have already been paid and processed
- keep records of adjustments to the storage charges receivables associated with the 2004 crop year forfeitures
- discontinue adjusting the "Storage Date" when processing peanut warehouse-stored loans for the 2005 crop year
- notify PSD when corrections to a forfeited loan must be processed
- follow the policy outlined in 8-LP, Part 11, when applicable.

Disposal Date	Distribution
August 1, 2006	State Offices; State Offices relay to County Offices, CMA's and DMA's.

2 Storage Charges at Forfeiture

A Payment to Warehouses

When peanuts are forfeited, KCCO shall continue to pay warehouses accrued storage from the date peanuts were delivered to the warehouse through forfeiture. The storage start date shall be the "Storage Date" indicated on the warehouse receipt.

APSS shall continue to create a receivable for the portion of storage due from the "Storage Date" to the day before DDR when loans are forfeited. The producer shall be responsible for paying the receivable on forfeited peanuts since KCCO will pay the warehouse based on the "Storage Date".

B Adjustments to Receivables at Forfeiture

County Offices shall:

- discontinue adjusting the receivables for the accrued storage charges at forfeiture
- **not** refund any payments associated with receivables that were paid prior to the issuance of this notice
- keep records of adjustments made to the storage charges receivables associated with the 2004 crop year forfeitures
- discontinue making adjustments to the "Storage Date" when processing 2005 crop year warehouse-stored peanut loans.

Note: For the 2005 crop year loans processed using an adjusted "Storage Date", keep a record of the adjustment in date, so it can be corrected in case the loan is forfeited at maturity.

Service County Offices for CMA's and DMA's shall refer to Notice CMA-94 for handling receivables at forfeiture.

C Handling DMA Producer Receivable

Debts transferred by DMA to the producer's administrative County Office according to Notice CMA-94 shall be recorded using:

- program code "XXPNUTSTGCRS"

Note: Replace "XX" with the applicable crop year.

- reason code "10424".

Notice LP-2007

3 Correcting Errors in Forfeited Loans

A Reversing Forfeitures

If a loan transaction associated with forfeited peanuts has to be corrected, according to 12-PS, Part 11, County Offices should **immediately**:

- call Tonye Gross, Peanut Program Manager, at 202-720-4319
- send an e-mail to **Tonye.Gross@wdc.usda.gov**
- cc: **Cecile.Wynne@wdc.usda.gov**, **Lori.Kirkland@kcc.usda.gov**, **David.Kirkland@kcc.usda.gov**, and the State Office Price Support Specialist.

Include in the e-mail the following information:

- State and county code
- loan number
- warehouse receipt numbers
- indicate if paper or electronic warehouse receipt
- warehouse code
- peanut type/seg.
- loan quantity
- loan amount
- forfeiture date
- reason for correction.

Important: Indicate in the e-mail if the loan is being corrected because of an error in loan maturity date and the producer or the holder of CCC-605-P or CCC-211 intends to repay the loan or any receipt in the loan. The request **must** be approved by PSD before it can be processed.