

USDA announces crop loan rates, LDP provisions

By Sara Wyant

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Even though only 14 of the 15 titles of the new farm bill are “officially” completed, USDA officials are quickly moving ahead with implementation.

U.S. Secretary of Agriculture Ed Schafer announced Thursday that USDA has delivered its first actions implementing the new farm bill. Within three weeks of commodity title enactment in the 2008 farm bill, USDA is implementing marketing assistance loan and loan deficiency payment (LDP) provisions.

"We know we can rely on America's farmers and ranchers to grow our food, and they can rely on USDA to have the new farm bill ready," said Schafer. "The Department of Agriculture is putting into action the thousands of pages of new farm bill law for crop production, research, marketing, nutrition, conservation, food aid and rural development."

USDA also announced that county loan rates for 2008 crop of wheat, corn, grain sorghum, barley, oats, soybeans, and other oilseeds (sunflower seed, flaxseed, canola, rapeseed, safflower, mustard seed, crambe, and sesame seed), State loan rates by class for 2008 crop of rice, and regional loan rates for 2008 pulse crops (small chickpeas, dry peas, and lentils) were posted today on the Farm Service Agency (FSA) Web site

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=lor>

With enactment of the Food, Conservation and Energy Act of 2008, (the 2008 farm bill) national loan rates for the 2008 crops of wheat, feed grains, oilseeds, rice, and pulses are at the following levels:

Wheat \$2.75 per bushel

Corn \$1.95 per bushel

Grain Sorghum \$1.95 per bushel

Barley \$1.85 per bushel

Oats \$1.33 per bushel

Soybeans \$5.00 per bushel

Other Oilseeds \$9.30 per hundredweight for each "other" oilseed

Rice, long grain \$6.50 per hundredweight

Rice, medium grain \$6.50 per hundredweight

Small Chickpeas \$7.43 per hundredweight

Dry Peas \$6.22 per hundredweight

Lentils \$11.72 per hundredweight

As required by the 2008 Farm Bill, these national loan rates are established at the same levels as those established for the 2007 crop, with the exception of rice. Starting with the 2008 crop, the 2008 farm bill specifies national loan rates for both long grain rice and medium grain rice.

Milled and Rough Rice Loan Rates by Class Updated

For rice stored in commercial warehouses, the whole kernel milled rice loan rates for the 2008 crop are \$10.00 per hundredweight for long grain and \$9.78 for medium/short grain. The broken kernel loan rate for all classes is \$6.67 per hundredweight. National average rough rice loan rates by class are \$6.50 per hundredweight for long grain and \$6.50 for medium/short grain. USDA computes milled and rough rice loan rates by class using average milling yields and production percentages to ensure that the production-weighted national average rough rice loan rate equals the \$6.50 per hundredweight national loan rate.

Regional Pulse Loans Updated

The 2008 crop West Region dry pea loan rate is \$6.58 per hundredweight; the East Region dry pea loan rate is \$6.14 per hundredweight. The West Region lentil loan rate is \$14.23 per hundredweight; the East Region lentil loan rate is \$10.74 per hundredweight. These rates average to the national rate based on recent regional production shares.

The West Region includes the Palouse (Idaho, Oregon and Washington) and other states west of the Rocky Mountains (Alaska, Arizona, California, Hawaii, Nevada, New Mexico and Utah). The East Region includes Montana, North Dakota and all other states not in the West Region.

USDA determined that insufficient reliable market information is available to establish regional loan rates for small chickpeas. Therefore, the national rate of \$7.43 per hundredweight applies for all producing regions. Under provisions of the new 2008 farm bill, producers of large chickpeas will not be eligible for marketing assistance loans until the 2009 crop year.

Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain a loan deficiency payment if such payments are available.

Other Provisions and Rates

Cotton and peanut loan and LDP provisions and rates will be announced separately.

Wool, mohair and honey were announced in January.