

USDA Issues Partial 2008 CCP Payments For Upland Cotton

WASHINGTON, D.C.

Agriculture Secretary Tom Vilsack said that the Commodity Credit Corporation (CCC) will make \$490 million available in partial 2008 Counter-cyclical Program (CCP) payments to eligible producers with enrolled upland cotton base acres in the Direct and Counter-cyclical Program (DCP). The projected partial CCP rate for producers with enrolled upland cotton base acres is 5.03 cents per pound or 40 percent of the projected total rate of 12.58 cents per pound.

“These payments represent another step in the implementation of the 2008 Farm Bill and the commitment that President Obama has made to providing our farmers and ranchers with a safety net during these tough times,” Vilsack said.

CCC makes partial CCP payments after the completion of 180 days of an applicable crop's marketing year when its effective price falls below its target price. The effective price equals the direct payment rate plus the higher of either: (1) the national average market price received by producers during the marketing year; or (2) the national average loan rate for the commodity. The counter-cyclical payment amount

equals the CCP rate, multiplied by 85 percent of the farm's base acreage, multiplied by the farm's CCP yield.

The target price is 71.25 cents per pound, the direct payment rate is 6.67 cents per pound, and the loan rate for base quality is 52 cents per pound. The projected market price, based on the World Agricultural Supply and Demand Estimates report released on January 12, 2009, is 48 cents per pound. Since the projected market price is below the loan rate, the projected total CCP rate is at its statutory maximum level.

No partial counter-cyclical payments will be issued for 2008 crop wheat, barley, oats, long grain rice, medium grain rice, peanuts, corn, grain sorghum and soybeans, because market prices are above levels that would trigger CCP payments.

Also, no final 2007 CCP payments will be made to producers with rice base acres enrolled in the DCP, because market prices for rice exceed the target price of \$10.50 per hundredweight.

For more information on the direct and counter-cyclical payment programs, visit your local USDA Service Center or the Farm Service Agency Web site at <http://www.fsa.usda.gov>. Δ



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