

GROENEWOLD FUR & WOOL COMPANY

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As many of you have heard, the USDA has made Loan Deficiency Payments (LDP's) available.

To be eligible for an LDP, the grower must receive approval BEFORE the wool is sold or LEAVES their possession. They can file for approval with their local Farm Service Agency (FSA).

To file they must fill out form CCC-633 EZ. This form can be submitted online or in person. It is best to stay in contact with the FSA office as they may have questions regarding where the wool is stored etc.

Form CCC-633 EZ

https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/State-Offices/Washington/resources/pdfs/CCC0633EZ%20-%20CCC0633EZ%20Cont_190521V01.pdf

To file, a grower must meet these requirements:

1. Sheep must be grown and shorn in the U.S
2. They must have ownership of the sheep for at least 30 days before the sheep are shorn.
3. The wool must be shorn and in a good stored condition.
4. Have ownership and beneficial interest in the wool.
 - a. Beneficial interest: the producer must maintain the ability to make decisions affecting the commodity, this includes sales and movement. The commodity cannot be delivered to a warehouse or buyer. The commodity cannot be sold. Even if the wool is delivered to a buyer but a price is not set it is considered a sale.
 - b. This means that the producer must be approved for LDP before the wool is removed from their property.

LDP payments are determined by the difference between the Ungraded Wool Loan Rate (it is currently \$0.40) and the Effective Repayment Rate (this will be announced weekly), it is currently \$0.10. For updates on the repayment rate please visit: <https://sheepusa.org/issues-governmentprograms-woolldp>

Using this week's numbers:

\$0.40- \$0.10= \$0.30/lb growers could be paid through the LDP program.

Please note that GFW does not work directly with this program and it is up to the growers to secure their LDP Payments with the assistance of their local FSA office.

Thank you,

Groenewold Fur and Wool Co.