

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

<b>Loans and Loan Deficiency Payments for Rice 2-LP Rice (Revision 9)</b>	<b>Amendment 14</b>
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**Approved by:** Acting Deputy Administrator, Farm Programs



**Amendment Transmittal**

**A Reason for Amendment**

Exhibit 7 has been amended to:

- add discounts for 2008 crop
- correct example of loan rate calculation in subparagraph C
- correct smut discount calculation in subparagraph F.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibits</b>
		7, pages 1-4



## Loan Rates and Discounts

### \*--A Loan Values for 2008 Crop Whole Kernels and Broken Rice

The following table provides the loan values for **2008** crop whole kernels and broken rice.

<b>Rough Rice Class</b>	<b>Whole Kernels (Cents Per Pound)</b>	<b>Broken Rice (Cents Per Pound)</b>
Long Grain	10.00	6.67
Medium Grain/Short Grain	9.78	6.67

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### B Calculating Warehouse Loan Rates

Calculate the loan rate for warehouse-stored loans using the:

- whole kernel rice yield and total rice yield

**Note:** Obtain these yields from the warehouse receipt.

- loan value in subparagraph A.

### C Example of a Loan Rate Calculation

\*--An example of a loan rate calculation for **2008** crop warehouse-stored rice with a 56/68 milling yield is as follows:

- long grain whole kernel yield (.56) x loan value (\$10.00) = \$5.60
- broken rice yield (.12) x loan value (\$6.67) = \$0.80
- loan rate per 100 pounds is \$5.60 + \$0.80 = \$6.40--\*
- adjust for discounts according to subparagraph E.

**Loan Rates and Discounts (Continued)**

**\*--D Farm-Stored Loan Rates for 2008 Crop**

The following table provides the loan rates for **2008** crop farm-stored rice:

- per cwt.
- by class.

<b>2008 Rice Farm-Stored Loan Rates by Class, Rough Basis</b>		
<b>States</b>	<b>Long Grain</b>	<b>Medium Grain/Short Grain</b>
	\$ per cwt.	
Arkansas	\$6.47	\$6.33
California	6.46	6.54
Louisiana	6.51	6.48
Mississippi	6.57	6.50
Missouri	6.38	6.50
Texas	6.71	6.50
All other States	6.50	6.50

**E 2007 and 2008 Crop Rice Grade Discounts**

The following table provides the grade discounts for **2007 and 2008** crop rice.--\*

<b>Grade</b>	<b>Discount Per Cwt.</b>
U.S. No. 2	0
U.S. No. 3	\$0.30
U.S. No. 4	\$0.60
U.S. No. 5	\$1.00
U.S. No. 6	\$2.00
Sample grade	\$5.50

**Loan Rates and Discounts (Continued)**

**\*--F 2007 and 2008 Crop Smut Discount**

The following table provides the smut discount for **2007 and 2008** crop rice.--\*

<b>Smut Damage Percent</b>	<b>Discount Per Cwt.</b>
Trace	0
.1 - 1.0	\$0.05
1.1 - 2.0	\$0.10
2.1 - 3.0	\$0.15

**Note:** Rice that contains more than 3 percent smut qualifies as low quality rice. Low quality or smutty rice is eligible for a nonrecourse MAL at 20 percent of the loan rate.

**\*--Example:** Arkansas rice loan \$6.47 per cwt. x .20 = \$1.294 per cwt.--\*

## Loan Rates and Discounts (Continued)

### G Loan Values for 2007 Crop Whole Kernels and Broken Rice

The following table provides the loan values for **2007** crop whole kernels and broken rice.

<b>Rough Rice Class</b>	<b>Whole Kernels (Cents Per Pound)</b>	<b>Broken Rice (Cents Per Pound)</b>
Long Grain	10.12	6.81
*--Medium Grain/Short Grain--*	9.40	6.81

### H Calculating Warehouse Loan Rates

Calculate the loan rate for warehouse-stored loans using the:

- whole kernel rice yield and total rice yield

**Note:** Obtain these yields from the warehouse receipt.

- loan value in subparagraph G.

### I Example of a Loan Rate Calculation

An example of a loan rate calculation for **2007** crop warehouse-stored rice with a 56/68 milling yield is as follows:

- long grain whole kernel yield (.56) x loan value (\$10.12) = \$5.67
- broken rice yield (.12) x loan value (\$6.81) = \$0.82
- loan rate per 100 pounds is \$5.67 + \$0.82 = \$6.49
- adjust for discounts according to subparagraph K.