

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 22</b>
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**Approved by:** Acting Deputy Administrator, Farm Programs



**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 2 A has been amended to update the list of FSA handbooks.

Exhibit 7 has been amended to:

- remove 2010 crop discounts
- add 2012 crop discounts.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	1-1, 1-2	7, pages 1-6



**Part 1 Basic Program Provisions**

**1 Overview**

**A Handbook Purpose**

This handbook provides instructions for administering marketing assistance loan and LDP  
\*--programs for 2008 through 2012 crops of rice.

**B Sources of Authority**

Authority for the policies prescribed in this handbook is in the Food, Conservation, and  
Energy Act of 2008 (Pub. L. 110-246) for 2008 through 2012 rice loan and LDP  
programs.--\*

**Section 1 General Provisions**

**2 Related Handbooks**

**A Handbooks**

Use this handbook with 8-LP and 12-PS. This table provides specific 8-LP provisions.

<b>8-LP</b>	<b>Provisions</b>
Part 1, Section 3	<ul style="list-style-type: none"> <li>• Actions for overdisbursements, overpayments, and receivables</li> <li>• appeals</li> <li>• bankruptcy cases</li> <li>• CCC-770 LDP/eLDP and CCC-770 MAL policy</li> <li>• finality rule and IRS reporting</li> <li>• lobbying activities</li> <li>• misaction/misinformation</li> <li>• prompt payment.</li> </ul>
Part 2	General loan and LDP provisions.
Part 3, Section 3	Failure to provide production evidence.
Part 4	Violations.
Part 5, Sections 1 and 2	Filing UCC-1's and CCC-10's.
Part 7	<ul style="list-style-type: none"> <li>• Repayments, releases, and loan maturity</li> <li>• CCC-681-1's</li> <li>• CCC-697's.</li> </ul>

Other related handbooks include the following.

<b>Handbook</b>	<b>Purpose</b>
1-CM	*--Common Management and Operating Provisions--*
1-CMA	CMA, DMA, and LSA Common Loan and LDP Procedures
2-CP	Acreage and Compliance Determinations
1-FI	Processing Payment Initiated Through NPS
3-FI	State and County Receipts and Deposits
50-FI	Interest Rates
58-FI	Managing FSA and CCC Debts and Claims
*--63-FI	Financial Services Web Application
64-FI	Establishing and Reporting Receipts and Receivables on the National Receipts and Receivables System--*
5-LP	Commodity Inspectors Handbook
4-PL	Payment Eligibility, Payment Limitation, and AGI

## Loan Rates and Discounts

### \*--A Loan Values for Crop Year 2011 Whole Kernels and Broken Rice

The following provides the loan values for crop year **2011** whole kernels and broken rice.

<b>Rough Rice Class</b>	<b>Whole Kernels (Dollars (\$) Per Cwt.)</b>	<b>Broken Rice (Dollars (\$) Per Cwt.)</b>
Long Grain	9.93	7.06
Medium Grain/Short Grain	9.55	7.06

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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 **2011** crop warehouse-stored rice with a 56/68 milling yield is as follows:

- long grain whole kernel yield (.56) x loan value (\$9.93) = \$5.56
- broken rice yield (.12) x loan value (\$7.06) = \$0.85
- loan rate per 100 pounds is \$5.56 + \$0.85 = \$6.41--\*
- adjust for discounts according to subparagraph E.

**Note:** Discounts shall only be applied when loans are forfeited.

**Loan Rates and Discounts (Continued)**

**\*--D Farm-Stored Loan Rates for Crop Year 2011**

The following provides the loan rates for crop year **2011** farm-stored rice.

<b>2011 Rice Farm-Stored Loan Rates by Class, Rough Basis</b>		
<b>States</b>	<b>Long Grain</b>	<b>Medium Grain/Short Grain</b>
	<b>Dollars (\$) per cwt.</b>	
Arkansas	\$6.48	\$6.22
California	6.33	6.54
Louisiana	6.47	6.50
Mississippi	6.58	6.50
Missouri	6.45	6.50
Texas	6.70	6.50
All other States	6.50	6.50

**E Crop Year 2011 Rice Grade Discounts**

The following provides the grade discounts for crop year **2011** 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 Crop Year 2011 Smut Discount**

The following provides the smut discount for crop year **2011** rice.--\*

<b>Smut Damage Percent</b>	<b>Discount Per Cwt.</b>
Trace	0
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 long grain rice loan is \$6.48 per cwt. x .20 = \$1.30 per cwt.

**Loan Rates and Discounts (Continued)**

**\*--G Loan Values for Crop Year 2012 Whole Kernels and Broken Rice**

The following provides the loan values for crop year **2012** whole kernels and broken rice.

<b>Rough Rice Class</b>	<b>Whole Kernels (Dollars (\$) Per Cwt.)</b>	<b>Broken Rice (Dollars (\$) Per Cwt.)</b>
Long Grain	10.13	6.03
Medium Grain/Short Grain	9.72	6.03

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**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 crop year **2012** warehouse-stored rice with a 56/68 milling yield is as follows:

- long grain whole kernel yield (.56) x loan value (\$10.13) = \$5.56
- broken rice yield (.12) x loan value (\$6.03) = \$0.72
- loan rate per 100 pounds is \$5.67 + \$0.72 = \$6.39--\*
- adjust for discounts according to subparagraph K.

**Note:** Discounts shall only be applied when loans are forfeited.



**Loan Rates and Discounts (Continued)**

**\*--J Farm-Stored Loan Rates for Crop Year 2012**

The following provides the loan rates for crop year **2012** farm-stored rice.

<b>2012 Rice Farm-Stored Loan Rates by Class, Rough Basis</b>		
<b>States</b>	<b>Long Grain</b>	<b>Medium Grain/Short Grain</b>
	<b>Dollars (\$) Per Cwt.</b>	
Arkansas	\$6.51	\$6.23
California	6.25	6.58
Louisiana	6.42	6.43
Mississippi	6.57	6.50
Missouri	6.37	6.50
Texas	6.66	6.51
All other States	6.50	6.50

**K Crop Year 2012 Rice Grade Discounts**

The following provides the grade discounts for crop year **2012** 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)**

**\*--L Crop Year 2012 Smut Discount**

The following provides the smut discount for crop year **2012** rice.--\*

<b>Smut Damage Percent</b>	<b>Discount Per Cwt.</b>
Trace	0
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 considered sample grade and is eligible for a nonrecourse MAL at 20 percent of the loan rate.

**\*--Example:** Arkansas long grain rice loan \$6.51 per cwt. x .20 = \$1.30 per cwt.--\*