

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Loans and Loan Deficiency Payments for Rice 2-LP Rice (Revision 9)	Amendment 16
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Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 13 A has been amended to clarify the note.

Subparagraph 57 A has been amended to update the percent of loan rate that is available if a producer enrolls in the Average Crop Revenue Election (ACRE) Program.

Subparagraph 105 A has been amended to clarify the use of commodity certificates for the 2009 crop.

Page Control Chart		
TC	Text	Exhibit
	1-15, 1-16 2-27, 2-28 3-21, 3-22	

Section 2 Eligibility**13 Eligible Rice Producer****A Definition of Eligible Producer**

An eligible producer may participate in the loan and LDP programs for a farm if the producer:

- shares in the risk of producing rice
- has beneficial interest in the rice for which a loan or LDP is requested
- has met all other eligible requirements according to 8-LP, Part 2.

Note: States, local Government, political subdivisions, and agencies thereof, are no longer
--eligible to receive any MAL, MAL benefit, or LDP payment.--

See 8-LP for determining beneficial interest.

B Other Eligibility Requirements

See 8-LP, Part 2 for producer eligibility requirements about:

- annual program requirements
- person determinations
- applicable crop insurance requirements
- legal entities
- estates and trusts
- other entities
- minors
- heirs of deceased producer.

See 4-PL for producer eligibility requirements about:

- payment limitations
- foreign persons
- average adjusted gross nonfarm income.

C Ineligible Producer

See 8-LP, Part 2 for producers who are ineligible for loan or LDP.

14 Producers Marketing Through CMA's

A Approved CMA's

CMA's approved by CCC may obtain loans or LDP's on eligible rice for the CMA members who are eligible to receive price support.

An approved CMA is considered an eligible producer. See 1-CMA for approved rice CMA's.

B Determining Member's Eligibility

Member eligibility is determined according to 1-CMA, Part 11.

C Farm-Stored Loans and LDP's

Contact PSD through the State and County Offices to determine eligibility, based on the approved CMA agreement, each year for the first loan or LDP CMA requests for farm-stored rice.

57 Loanmaking for Farm-Stored Loans**A Loan Rates**

Use the applicable loan rate in Exhibit 7 to calculate the loan amount for certified or measured farm-stored loans.

The loan rate shall be:

- 20 percent of the loan rate for low quality rice, as applicable
- 30 percent of the loan rate for rice harvested as other than grain, as applicable
- 10 percent of the loan rate for contaminated rice, as applicable
- *--70 percent of the loan rate for producers on the farm enrolled in the Average Crop--* Revenue Election (ACRE) Program at any time during 2009 through 2012.

B Requesting Farm-Stored Loans

When requesting farm-stored loans, producers shall:

- for certified loans, certify on CCC-666 the quantity in farm storage according to 8-LP, Part 4
- for measured loans, request measurement service according to 8-LP, Part 4
- certify whether the rice is aromatic according to subparagraph C.

STC shall not require that a loan be measured before or after disbursement. Loans are available on the quantity of eligible rice certified by the producer.

57 Loanmaking for Farm-Stored Loans (Continued)

C Aromatic Rice

Aromatic rice must be:

- pledged under separate loan agreements than loan agreements for nonaromatic rice
- stored separately from nonaromatic rice.

Advise producers pledging aromatic rice for loan that:

- for deliveries to CCC, producers are required to deliver the rice to a UGRSA-approved warehouse designated by CCC
- not all UGRSA-approved warehouses may be willing to store aromatic rice
- producers shall not receive any credit for expenses incurred in the delivery of aromatic rice.

D Record of Measurements

Complete and maintain CCC-677-1 according to 8-LP for measured loans and spot checks.

Section 2 Commodity Certificate for Commodity Exchanges

105 General Information

A Overview

The authority to make commodity certificates available to producers will terminate effective with the ending of crop year 2009. * * *

*--Commodity certificates will continue to be exchanged for a 2009 crop MAL commodity up to the individual loan maturity date for that 2009 crop commodity. However, commodity certificates will not be available for exchange for any 2010 and subsequent crop MAL's.

The termination of commodity certificate exchanges by the crop year of the MAL collateral means that for some periods during calendar year 2010, commodity certificate exchanges may be processed for 2009 crop MAL's, but not for 2010 and subsequent crop year MAL's.--
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B Process

The following table describes the process to exchange commodity certificates for loan collateral.

Step	Function
1	Producer or producer's agent requests to acquire loan collateral using commodity certificates.
2	County Office identifies loan and loan quantity, and determines exchange value using CCC-694-1 (Reverse).
3	Producer purchases commodity certificate for the exact dollar value needed to acquire the loan collateral from the County Office.
4	Producer signs CCC-694-2 to purchase the commodity certificate and uses it to acquire the outstanding loan collateral.
5	County Offices release the loan collateral.

C Eligible Producer

Eligible producers must:

- have an outstanding commodity loan, not past maturity, to purchase commodity certificates
- immediately exchange commodity certificates for loan collateral.

105 General Information (Continued)

D Exchange Rate

The commodity certificate exchange rate is the CCC-determined value calculated according to 8-LP, Part 9, Section 7.

If the CCC-determined value is equal to or greater than the applicable county loan rate, there will be no commodity certificate exchange available on that day.

E Not Applicable to Commodity Certificate Exchanges

The following table explains the specific topics that are not applicable to commodity certificate exchanges.

Topic	Explanation
Lock in repayment rates	A commodity certificate exchange must not be applied to any quantity for which an outstanding CCC-697 exists.
Payment limitation	Commodity certificate exchanges are not applicable to payment limitation.
IRS reporting	Market gain earned from commodity certificate exchanges for loan collateral will be reported by FSA to IRS on CCC-1099-G.
FAXed signatures	FAXed forms or signatures are not authorized for purchasing commodity certificates or exchanging the certificate for a commodity.
Repledged commodities	Loan collateral exchanged with a commodity certificate is not eligible to be repledged.
Purchasing CCC-owned inventories	Commodity certificates: <ul style="list-style-type: none"> • may not be exchanged for CCC-owned inventory • may only be exchanged for outstanding loan collateral •*--exchanges are not subject to AGI provisions.--*