

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



**Amendment Transmittal**

**A Reasons for Amendment**

Subparagraph 91 A has been amended to remove the reference to the dead hour exception.

Subparagraph 91 D has been amended to change the AWP announcement date and time.

Subparagraph 91 E has been amended to remove the reference to the dead hour exception.

Subparagraph 151 G has been amended to change the reference to CCC-633 EZ.

Exhibit 7 is amended to:

- remove information for 2005 crops
- add information for 2007 crops
- update the example for the loan rate calculation for low quality and sample grades.

<b>Page Control Chart</b>		
<b>TC</b>	<b>Text</b>	<b>Exhibit</b>
	3-2.5, 3-2.6	1, pages 1, 2
	3-3, 3-4	7, pages 1-6
	5-3, 5-4	



## Section 1 Loan Repayments

## 91 Loan Repayment Provisions

## A Types of Repayments

Farm-stored and warehouse-stored loans may be repaid at any time during the loan period at:

- the AWP repayment rate, under the 2002 through 2007 marketing assistance loan provisions
- principal plus interest.

\* \* \*

## B When to Require Principal Plus Interest

Loan repayments **must include principal plus interest** on quantities delivered under CCC-681-1 and either of the following applies:

- repayment is made after the end of the grace period for CCC-681-1
- repayment is for the quantity delivered after loan maturity, even if repayment is made by the end of the grace period.

See 8-LP, Part 9 for interest calculation procedures.



**91 Loan Repayment Provisions (Continued)****C AWP Repayment Rate**

Calculate the AWP repayment rate using the world market prices posted on either of the following:

- [www.fsa.usda.gov/dafp/psd/](http://www.fsa.usda.gov/dafp/psd/)
- “Daily Market Rates” downloaded from KCCO.

**Note:** County Offices shall verify the weekly rice rates printed on the “Daily Market \*--Rates” for correct information according to the official Wednesday--\* announcement.

Subtract the:

- world market index from the whole kernel loan rate for the applicable class of rice to determine the market gain rate, which may be negative or positive
- market gain rate from the loan rate on CCC-677 or CCC-678 to determine the repayment cost per hundredweight.

**Note:** APSS will calculate the AWP repayment rate based on the value entered in the “World Market Index” field.

**D When Market Prices Are Announced**

Market prices will be:

- \*--announced, at 7:00 a.m. e.t., Wednesday, to the extent practicable--\*
- effective upon announcement.

\* \* \*

**91 Loan Repayment Provisions (Continued)**

**E Locking-in Repayment Rates**

\*--Producers may lock in a repayment rate for farm-stored rice by completing CCC-697--\* according to 8-LP, Part 9.

\* \* \*

Producers cannot use a commodity certificate to exchange loan collateral specified on CCC-697.

**F Payment Limitations**

See 8-LP for applicable payment limitation rules.

**G Denied Market Gains**

Part or all of a producer's calculated market gain may be denied if **any** of the following apply:

- payment limitation is reached
- percent of cropland factor is less than 1.000
- permitted entity share is less than 100 percent.

See 8-LP for denied market gains.

**151 Basic LDP Provisions (Continued)**

**B Producer Eligibility Requirements**

Producers applying for LDP must:

- meet eligibility requirements in paragraph 13
- agree to forgo obtaining a loan for the quantity on which LDP is requested.

**C CMA Eligibility Requirements**

CMA's applying for LDP must:

- meet eligibility requirements in paragraph 14
- agree to forgo obtaining a loan for the quantity on which LDP is requested.

**D Payment Limitations**

See 8-LP for applicable payment rules for monitoring the limitation.

**E Denied LDP Amounts**

Part or all of a producer's calculated LDP amount may be denied if **any** of the following apply:

- payment limitation is reached
- percent of cropland factor is less than 1.0000
- permitted entity share is less than 100 percent.

**F LDP Amount Reported to IRS**

The amount of LDP is:

- the LDP rate, times the quantity
- reported to IRS.

**151 Basic LDP Provisions (Continued)**

**G Commodity Eligibility Requirements**

To be eligible for LDP, the rice must:

- \*--not have been previously pledged as collateral for MAL
- meet the eligibility requirements in paragraph 15.

**H Waiver of Storage Requirements**

Approved storage requirements are waived when CCC-633-EZ, page 2 is approved.--\*

**I LDP Number Register**

APSS will assign an LDP number sequentially with loan numbers for each crop year.

**J Filing LDP's**

LDP's shall be maintained in 1 of the following:

- a separate LDP file for each request received
- one LDP file for each producer
- one LDP file for each producer by commodity.

**K Low Quality Rice**

\*--Rice with low quality or grading U.S. No. 6 or U.S. Sample Grade according to the Official U.S. Grading Standards, are eligible for LDP. See 8-LP, Part 3, Section 3.--\*

## Reports, Forms, Abbreviations, and Redelegations of Authority

### Reports

None

### Forms

This table lists all forms referenced in this handbook.

<b>Number</b>	<b>Title</b>	<b>Display Reference</b>	<b>Reference</b>
CCC-184	CCC Check		128, 159
CCC-500	Loan Repayment Receipt		106, 107
CCC-666	Farm Stored Loan Quantity Certification		46, 57
CCC-633 EZ	Loan Deficiency Payment (LDP) Agreement and Request	156	151, 152, 153, 154, 155
CCC-676	LDP and Loan Number Register		56, 106
CCC-677	Farm Storage Note and Security Agreement		4, 91, 107
CCC-677-1	Farm Storage Loan Worksheet		57, 154
CCC-678	Warehouse Storage Note and Security Agreement		4, 91, 107
CCC-681-1	Authorization for Delivery of Loan Collateral for Sale		91, 92, 106, 108
CCC-681-1A	CCC-681-1 Continuation Sheet		107
CCC-685	Authorization to Release Warehouse Receipts		108

## Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

## Forms (Continued)

Number	Title	Display Reference	Reference
CCC-691	Commodity Delivery Notice		131
CCC-692	Settlement Statement		128
CCC-694-1	CCC-Determined Value and Commodity Certificate Worksheet		105-107
CCC-694-2	Acknowledgment of Commodity Certificate Purchase		107, 108
CCC-697	Request to Lock in a Market Loan Repayment Rate		90, 91, 105
CCC-700	Loan Deficiency Payment Statement		159
CCC-700A	Loan Deficiency Payment Statement Continuation (Continuation of CCC-700)		159
CCC-1099-A	Report of Loan Forfeiture, Settlement, and Abandonment to Producer		105
FSA-211	Power of Attorney		107
FSA-409	Measurement Service Record		154
UCC-1	National Financing Statement		56
UCC-1F	Effective Financing Statement		56

## Loan Rates and Discounts

### \*--A Loan Values for 2006 Crop Whole Kernels and Broken Rice

The following table provides the loan values for **2006** 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	10.52	5.26
Medium grain	9.52	5.26
Short grain	9.52	5.26

--\*

### 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 **2006** crop warehouse-stored rice with a 56/68 milling yield is as follows:

- long grain whole kernel yield (.56) x loan value (\$10.52) = \$5.89
- broken rice yield (.12) x loan value (\$5.26) = \$0.63
- loan rate per 100 pounds is \$5.89 + \$0.63 = \$6.52
- adjust for discounts according to subparagraph E.--\*

**Loan Rates and Discounts (Continued)**

**\*--D Farm-Stored Loan Rates for 2006 Crop**

The following table provides the loan rates for **2006** crop farm-stored rice:

- per cwt.
- by class.

<b>2006 Rice Farm-Stored Loan Rates by Class, Rough Basis</b>			
<b>States</b>	<b>Long Grain</b>	<b>Medium Grain</b>	<b>Short Grain</b>
	\$ per cwt.		
Arkansas	\$6.59	\$6.06	\$6.10
California	6.48	6.08	6.10
Louisiana	6.71	6.09	6.10
Mississippi	6.68	6.07	6.10
Missouri	6.50	6.07	6.10
Texas	6.91	6.07	6.10
All other States	6.64	6.07	6.10

**E 2006 Crop Rice Grade Discounts**

The following table provides the grade discounts for **2006** 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 2006 Crop Smut Discount**

The following table provides the smut discount for **2006** 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:** Rice loan \$6.59 per cwt. cwt. x .20 = \$1.31 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	9.40	6.81
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.--\*

**Loan Rates and Discounts (Continued)**

**\*--J Farm-Stored Loan Rates for 2007 Crop**

The following table provides the loan rates for **2007** crop farm-stored rice:

- per cwt.
- by class.

<b>2007 Rice Farm-Stored Loan Rates by Class, Rough Basis</b>			
<b>States</b>	<b>Long Grain</b>	<b>Medium Grain</b>	<b>Short Grain</b>
	\$ per cwt.		
Arkansas	\$6.45	\$5.92	\$6.28
California	6.59	6.26	6.28
Louisiana	6.89	5.92	6.28
Mississippi	6.73	5.92	6.28
Missouri	6.23	5.92	6.28
Texas	7.16	5.92	6.28
All other States	6.59	6.20	6.28

**K 2007 Crop Rice Grade Discounts**

The following table provides the grade discounts for **2007** 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)**

**\*--L 2007 Crop Smut Discount**

The following table provides the smut discount for **2007** 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:** Rice loan \$6.59 per cwt. x .20 = \$1.31.--\*