FSA
HANDBOOK

Loans and Loan Deficiency Payments for Rice

To access the transmittal page click on the short reference.

For State and County Offices

SHORT REFERENCE

2-LP Rice
(Revision 9)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
Washington, DC 20250

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Loans and Loan Deficiency Payments for Rice 2-LP Rice (Revision 9)	Amendment 19

Approved by: Deputy Administrator, Farm Programs

Amendment Transmittal

A Reasons for Amendment

Subparagraph 175 B and 176 D has been amended to clarify that LDP's shall be processed using the eLDP system.

Subparagraph 177:

- B has been amended to:
  - add information on selections available on Screen EWR010, "State, County, Commodity and Crop Year Selection" screen
  - provide an updated example of the "State, County, Commodity and Crop Year Selection" screen
- C has been amended to provide an updated "Welcome to the Electronic Warehouse Receipts Program Screen
- D has been amended to provide guidance on processing receipts for another State and/or county other than what is displayed on the Welcome to the Electronic Warehouse Receipts Program Screen
- E has been amended to provide an updated subparagraph title and example of the multi-county "State, County, Commodity and Crop Year Selection Screen.

Subparagraph 179 A has been amended to provide instructions for:

- transferring to APSS, EWR's associated with loan requests only
- **not** transferring to APSS, EWR's associated with LDP requests.

Subparagraph 180 B has been amended to:

- provide instructions for handling EWR's used to process eLDP requests
- remove instructions for processing in APSS, EWR's associated with LDP requests.

Amendment Transmittal (Continued)

Page Control Chart		
TC	**Text**	**Exhibit**
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Part 1 Basic Program Provisions

1 Overview

A Handbook Purpose

This handbook provides instructions for administering marketing assistance loan and LDP programs for 2002 through 2007 crops of rice.

B Sources of Authority

Authority for the policies prescribed in this handbook is in the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-424) for 2002 through 2007 rice loan and LDP programs.

2 Related Handbooks

A Handbooks

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

8-LP	Provisions
Part 1, Section 2	• Actions for overdisbursements, overpayments, and receivables • appeals • bankruptcy cases • CCC-770 LDP/eLDP and CCC-770 MAL policy • finality rule and IRS reporting • lobbying activities • misaction/misinformation • prompt payment.
Part 4, Sections 1 and 2	Filing UCC-1's and CCC-10's.
Part 5, Section 3	Failure to provide production evidence.
Part 6	• Administrative actions • violations.
Part 9	• Administrative actions • CCC-681-1's • CCC-697's • commodity certificates • general repayments.

--*

Other related handbooks include the following.

Handbook	Purpose
2-CM	Common management provisions
1-CMA	CMA's
2-CP	Reporting acreage
1-FI	Preparing CCC-184's
3-FI	Depositing funds to CCC's account
50-FI	Interest rates
58-FI	Establishing claims
63-FI	Assignments and joint payment system
5-LP	Commodity inspection procedures
1-PL	Payment limitation

3 Loan and LDP Availability

A Availability Dates

Loans and LDP's are available from the date loan rates are announced through May 31 of the year after the calendar year in which the crop is normally harvested.

Nonworkday: If the final loan availability date falls on a nonworkday, the producer's option to request a loan or LDP shall be extended until the next workday.

4 Loan Maturity Date

A Loans

Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which CCC-677 or CCC-678 is approved. See subparagraph 15 C for repledged loans.

Nonworkday: If the maturity date falls on a nonworkday, the producer's option to repay the loan at the AWP repayment rate shall be extended until the next workday.

5 Spot Checks and Production Evidence

A Spot-Checking Loans and LDP's

Farm-stored loans and LDP's are subject to spot-check during and after the loan availability period. See 8-LP, Part 5, Sections 1 and 2 for the following:

- selecting loans and LDP's for spot check
- spot check verifications.

Handle program violations, including incorrect certification, unauthorized removal, and unauthorized disposition according to 8-LP, Part 6.

B Required Production Evidence

Production evidence is required for loan quantity or LDP selected for spot check as follows:

- outstanding farm-stored loan repaid at AWP
- certified:
  - basic LDP's
  - field direct LDP's

•*****--measured LDP's, when measurement service is not used as final production.**--***

See 8-LP, Part 5, Section 3 for production evidence policy.

6-12 (Reserved)

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.

15 Eligible Rice

A Basic Eligibility Requirements

--**To be eligible for crop years 2009 through 2012 loans and LDP's, rice must:**--

- have been produced by an eligible producer
- be in existence and in storable condition
- be merchantable, and **must not** contain:
  - mercurial compounds
  - toxin-producing molds
  - other substances poisonous to humans or animals

  Note: Contaminated commodities are eligible for nonrecourse loan at a reduced loan rate.

- meet the definition of rice in the official United States Standards for Rice
- meet the specific commodity eligibility requirements for a nonrecourse loan.

  Note: See 8-LP for general requirements for nonrecourse loans.

B Definition of Low Quality Rice

Low quality rice is rice that grades 6 or Sample Grade according to Exhibit 5 and the United States Standards for Rice.

See Part 5 for LDP's on low quality rice.

C Repledged

Rice previously pledged as collateral for a loan that was redeemed with cash, at principal plus interest, may be repledged for loan during the applicable loan availability period. See subparagraph 46 C.

The maturity date for the repledged rice shall be the same as the maturity date for the initial loan.

16 Quantity Eligible for Loan or LDP

*--A Quantity Eligible, 2009 Through 20012 Crop

Any rice produced by a producer on a farm in crop years 2009 through 2012 is considered--* eligible, except as provided in paragraph 17.

B Approved Storage

See 8-LP for approved storage requirements for loan.

Approved storage requirements for LDP's are waived.

C Farm-Stored Rice

Farm-stored loans and LDP's will be limited to 100 percent of the eligible certified or measured quantity for initial loan disbursements and LDP's made during the loan availability period.

D Warehouse-Stored Rice

For warehouse-stored rice, price support will be limited to 100 percent of the eligible quantity recorded on warehouse receipts submitted during the loan availability period. Require the producer to obtain a replacement receipt that represents only the eligible quantity, if applicable.

E Individual Loans or LDP's

Any eligible rice not delivered to an approved CMA shall be eligible for individual loans or LDP's, according to subparagraph A.

16 Quantity Eligible for Loan or LDP (Continued)

F CMA Loans or LDP's

Approved CMA's shall be eligible for farm-stored and warehouse-stored loans or LDP's on the eligible quantity that CMA members deliver to CMA for which requests are filed according to subparagraph A.

See subparagraph 14 C for additional eligibility requirements for CMA's requesting farm-stored loans or LDP's.

G Reasonable Quantity for Individual Producers

The total quantity of rice eligible for loans and LDP's for a producer is limited to the quantity that could reasonably have been produced on the eligible acreage based on the conditions in the area. See 1-CMA for CMA's.

Use the price support queries, according to 12-PS, Part 14, Section 6, to determine the approximate quantity eligible for loan or LDP.

--H LDP Quantity Requested and Denied for Crop Year 2008--

Rice requested for LDP and denied because of payment limitation only, is eligible for nonrecourse loans.

*--I LDP Quantity Requested and Denied for Crop Years 2009 Through 2012

Rice requested for LDP and denied because of average adjusted gross nonfarm income only, is eligible for nonrecourse loans.**--***

17 Quantity Ineligible for Loan or LDP

A Loans

Quantities of rice are not eligible for loan if:

- *****--previously pledged for loan and repaid with cash at a rate less than the principal plus interest or exchanged with a commodity certificate--*****

- LDP has been requested and made on that quantity, except for subparagraph 16 H.

If ineligible rice is inadvertently placed under loan, call the loan according to 8-LP, Part 6. The producer is required to repay the principal plus accrued interest.

B LDP's

Quantities of rice are not eligible for LDP if:

- previously pledged for loan and repaid with cash at a rate less than the principal plus *****--interest or exchanged with a commodity certificate--*****

- LDP has been made on that quantity.

18 Maintaining Quality and Quantity

A Damaged Rice

County Offices shall remind producers requesting farm-stored loans that damaged rice may deteriorate more quickly than rice that is in good condition, and that:

- CCC will not assume any loss in quality or in quantity
- settlement will be based on the quantity and quality of the rice delivered.

B Cautioning Producers

County Offices shall caution producers that liquidated damages and administrative actions apply according to 8-LP, Part 6 if either of the following is determined:

- for loans, incorrect certification, unauthorized removal, or unauthorized disposition
- for LDP's, incorrect certification.

19-25 (Reserved)

Section 3 Quantity and Quality Determinations

26 Quantity Determination

A Warehouse-Stored Rice

For warehouse-stored rice, the quantity that may be placed under loan or LDP in an approved warehouse shall be the eligible net hundredweight specified on the warehouse receipt or supplemental certificate, if applicable.

Notes: If the quantity on the receipt represents eligible and ineligible quantities, require the producer to obtain a receipt representing only the eligible quantity.

Any cost for replacement receipts shall be at the producer's expense.

B Farm-Stored Rice

For farm-stored rice, the quantity in an approved storage structure that may be placed under loan or LDP shall be limited to 100 percent of the eligible certified or measured quantity.

Note: The quantity can be further adjusted according to Exhibit 5, subparagraph C.

27 Quality Determination

A Quality Factors

Quality factors, including class, grade, grading factors, and milling yield, shall be determined according to the Official U.S. Standards for Rough Rice.

B Milling Yield

The milling yield is an estimate of the quantity of whole kernels and total milled rice (whole and broken kernels combined) that is produced in the milling of brown rice for processing to a well-milled degree.

The milling yield must be expressed in whole numbers on both of the following:

- warehouse receipts
- supplemental certificates.

C Specifying Class of Rice

The class long grain, medium grain, or short grain must be specified.

Note: Only 1 class is permitted per loan.

D Warehouse-Stored Loans

Warehouse operators must obtain official grade determination when requested by producers.
--**The warehouse receipt **must** reflect the grade as supported by the required grading factors and other required entries according to subparagraph 35 B.**--

Note: CCC shall not pay for official grade determinations.

E Farm-Stored Loans

Quality determinations shall not be made for farm-stored loans.

28-34 (Reserved)

Section 4 Warehouse Receipt Requirements

35 General Warehouse Receipt Requirements

A Basic Requirements

All warehouse receipts must:

- represent eligible rice actually stored in a UGRSA warehouse
- be negotiable
- be issued to the producer, or in the case of loans made to approved CMA's, the receipt should be issued to CMA
- be endorsed in blank to vest title in the holder
- show ownership, if the rice is owned by the warehouse operator, solely, jointly, or in common with others
- contain a statement that the rice is insured
- ***--**be a paper or electronic receipt issued through an approved EWR provider.**--***

Note: See 8-LP, subparagraph 448 A for additional warehouse receipt requirements.

35 General Warehouse Receipt Requirements (Continued)

B Required Entries

Each warehouse receipt must show:

- name and address of storing warehouse
- warehouse code assigned by CCC
- warehouse receipt number
- date receipt was issued
- date the rice was received
- storage start date and date storage is paid through
- whether the rice was received by rail, truck, or barge
- amount of prepaid in or out charges, if any
- net weight
- class (only 1 class of rice is permitted for each loan or LDP)
- grade
- special grade designation, if applicable
- grading factors, including color, smut, moisture, and heat damage
- milling yield
- signature of warehouse operator or authorized agent
- commingled rice.

--**If the grading factors on the warehouse receipt do not reflect the applicable grade, the warehouse receipt **must** be returned to the producer to be corrected by the warehouseman. A corrected (new) warehouse receipt **must** be provided **before** loan approval and disbursement.**--

Note: For warehousemen operating under a merged warehouse code agreement, warehouse receipts must show the location and county to which the producer delivered the rice.

C Liens for Charges Indicated on Warehouse Receipt

If a warehouse receipt pledged as loan collateral indicates a lien on the rice for specified charges, such as drying or hauling, the warehouse receipt shall not be accepted for loan purposes. See 8-LP, Part 4, Section 3 to determine loan eligibility.

Liens on rice do **not** affect LDP requests.

36 Supplemental Certificates

A Supersede Warehouse Receipt

Supplemental certificates that are fastened to a warehouse receipt supersede entries on the warehouse receipt.

B Infested Designation

When the warehouse receipt shows “infested”, the supplemental certificate must show the same:

- grade without the “infested” designation
- grading factors and quality shown on the warehouse receipt.

C Excess Moisture

To be eligible for loan, warehouse receipts showing moisture that exceeds 14.0 percent must have a supplemental certificate fastened to the warehouse receipt that shows an acceptable level of moisture.

The supplemental certificate must show the grade, grading factors, and quantity after drying or blending of the rice.

37-45 (Reserved)

Part 2 Making Loans

Section 1 Basic Loanmaking Provisions

46 Obtaining Loans

A Individual Producers

Eligible producers may obtain loans according to 8-LP and this handbook by placing rice in approved:

- farm storage and certifying the quantity on CCC-666 or requesting measurement service, and obtaining a loan on up to 100 percent of the certified or measured quantity

- warehouse storage and obtaining loans on 100 percent of the net quantity shown on the warehouse receipt.

B Approved CMA's

Approved CMA's may:

- obtain farm-stored loans on rice stored on farms in approved storage structures, if other eligibility requirements are met

- obtain warehouse-stored loans on rice stored in approved warehouses

- obtain a loan on rice that members previously placed under individual-producer loans and eventually delivered to CMA only if the loan was repaid as principal plus interest

- **not** pledge as collateral for loan, any rice on which LDP has been made.

46 Obtaining Loans (Continued)

C Repledging

Producers and approved CMA's may repledge a quantity of eligible rice that was previously *--mortgaged to CCC as collateral for a marketing assistance loan, and the loan was repaid at--* principal plus interest.

The maturity date of repledged loans shall be the same as the original loan maturity date.

Rice may **not** be repledged as collateral for loan if the original loan was any of the following:

- called because of incorrect certification, unauthorized removal, or unauthorized disposition
- repaid with cash, using an AWP repayment rate
- *--exchanged with a commodity certificate.--*

D Contracts

Review contracts, or require certification of no contract, if applicable, and make beneficial interest determinations according to 8-LP before approving loans **only** in situations when there is reason to believe the producer may have lost beneficial interest in the rice.

47-55 (Reserved)

Section 2 Initial Loanmaking

56 Loanmaking

A Farm-Stored Loan Rates

Farm-stored loan rates are established by State for the major rice-producing States. See Exhibit 7.

B Recording Loan Rates in APSS

Record loan rates in APSS by crop year according to 12-PS, Part 3.

C Loan Number Register

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

Note: If a manual loan is prepared for entry into APSS at a later date, assign a 90000 series number sequentially with the 90000 series loan numbers obtained from CCC-676 for the applicable crop year.

D Lien Searches and Financing Statements

Follow applicable procedure in 8-LP for:

- performing lien searches
- obtaining lien waivers
- filing UCC-1's or UCC-1F's, for farm-stored loans.

56 Loanmaking (Continued)

E Discounts

See Exhibit 7 for the applicable discounts for loans.

Note: Discounts do not apply to farm-stored loan disbursements.

F State Assessments

When applicable, State assessments shall be deducted from the loan amount at the applicable rate.

G Verifying Eligible Quantity

COC shall verify that the quantity of rice a producer pledges as collateral for loan does not exceed the producer's share of the quantity that could reasonably have been produced on the farm *** * ***. See subparagraph 16 G.

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.

58 Loanmaking for Warehouse-Stored Loans

A Acceptable Receipts

When the request for a warehouse-stored loan is made, producers shall present acceptable warehouse receipts to County Offices.

The receipt may be either of the following:

- paper warehouse receipt issued by the warehouse
- EWR issued through CFS of a CCC-approved EWR provider.

Note: If any information on the warehouse receipts is incorrect or otherwise unacceptable for recording the loan in APSS, the County Office shall:

- not approve the loan
- require the producer to do the following before approving a warehouse-stored loan:
  - submit acceptable warehouse receipts
  - obtain lien waivers, if applicable.

B Loan Rates

APSS will use the loan rates in Exhibit 7, *** * *** to calculate the loan amount.

For:

- low quality rice, adjust the loan rate to 20 percent, as applicable

- *****--producers on a farm enrolled in the ACRE Program during 2009 through 2012, reduce the loan rate by 30 percent.

Note: Starting with crop year 2009, CCC will no longer adjust loan rates for warehouse-stored loans using premiums and discounts.--*****

58 Loanmaking for Warehouse-Stored Loans (Continued)

C Handling and Storage Charges

***--**County Offices shall:

- require in-handling charges associated with the quantity on the receipt to be prepaid or provided for

- discontinue applying storage deductions at loanmaking if storage is not paid through the loan maturity date.

Note: Only apply storage deductions if loan is forfeited.**--***

59-67 (Reserved)

Section 3 Additional Quantity for Farm-Stored Loans

68 Additional Quantity Limitations

A Increase in Quantity Only

Additional disbursements for an increase in the loan quantity are not authorized.

--Note:** During the loan availability period, producers may request a new loan or LDP for quantities exceeding the initial loan quantity provided the producer still has beneficial interest in the rice.**--

*** * ***

B Transfer From Farm to Warehouse

When farm-stored rice is transferred to an approved warehouse for storage, a disbursement for additional quantity may be available. See 8-LP, Part 8.

*** * ***

69 (Withdrawn--Amend. 2)

70-89 (Reserved)

Part 3 Repayments and Releases

90 Overview

A In This Part

This part includes the provisions of loan repayments.

B Marketing Loan Repayments

Marketing loan repayments are intended to:

- minimize potential loan forfeitures
- minimize the accumulation of rice stocks by the Federal Government
- minimize the cost incurred by the Federal Government in storing rice
- allow rice produced in the United States to be marketed freely and competitively, both domestically and internationally.

* * *

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 lesser of:

- the AWP repayment rate, under the 2009 through 2012 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/**
- "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

*--For applicable payment limitation rules applicable to the 2008 crop see 4-PL.

G Denied Market Gains for Crop Year 2008--*

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.

*--H Denied Market Gains for Crop Years 2009 Through 2012

All or part of a producer's calculated market gain may be denied if average adjusted gross nonfarm income exceeds $500,000.**--***

91 Loan Repayment Provisions (Continued)

H Production Evidence Required

Loans that are repaid under the marketing assistance loan provisions require production evidence to be submitted if the loan is selected for spot check. See 8-LP, Part 5 for determining:

- acceptable production evidence
- when to submit production evidence.

I Market Gain Reported to IRS

The market gain is the difference between the loan principal that is liquidated and the amount needed for the loan repayment, when the loan repayment amount is less than the loan principal amount that is liquidated.

The amount of market gain is reported to IRS.

J Spot Checks

Farm-stored loans that are repaid under the loan provisions without production evidence remain subject to spot check according to 8-LP.

92 Filing CCC-681-1

A Why File CCC-681-1

If the proceeds from the sale of the collateral are needed to repay a farm-stored loan, producers may file CCC-681-1 according to 8-LP, paragraph 951.

93-104 (Reserved)

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.--*****

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: • may **not** be exchanged for CCC-owned inventory • may only be exchanged for outstanding loan collateral •***--**exchanges are not subject to AGI provisions.**--***

106 Determining Commodity Certificate Exchange Value

A CCC-694-1 (Reverse) Objective

Use CCC-694-1 to calculate the:

- certificate exchange rate using commodity certificates
- dollar value needed to purchase commodity certificates.

Because the exchange rate is the CCC-determined value, determine the CCC-determined value according to 8-LP, Part 9, Section 7.

Use the reverse side of CCC-694-1 to calculate the dollar value needed to purchase commodity certificates.

B Manually Assigning Transaction ID Number

Each commodity certificate transaction shall be identified by a unique transaction number. For commodity certificate exchanges not immediately recorded through APSS, manually assign the commodity certificate transaction number as a digit number comprised of the crop year, loan number, and a 4-digit number.

Example: 00-00210-0001.

Note: When the commodity certificate exchange is recorded in APSS, the system will generate a commodity certificate exchange number and will print that number on CCC-500.

106 Determining Commodity Certificate Exchange Value (Continued)

B Assigning Transaction ID Number (Continued)

County Offices shall:

- use CCC-676 to maintain a register for manual certificate transaction ID numbers only
- assign numbers sequentially by crop year for **each** loan being redeemed with commodity certificates, starting with 0001
- complete CCC-676 according to the following table.

Item	Instruction
1	Enter the State and county codes.
3	Enter the: • crop year • loan number • sequentially assigned number.
4	Enter the producer's name.
5	Enter the commodity.
6 and 7	Leave blank.
8	Enter the loan quantity to be exchanged with commodity certificates.
9	Enter the dollar value of the commodity certificate.
10	Enter information, as applicable.

Notes: See 8-LP, paragraph 491 for an example of CCC-676. Change CCC-676 headers, as applicable. Use only if a manual transaction ID number is needed.

106 Determining Commodity Certificate Exchange Value (Continued)

C Completing CCC-694-1 (Reverse)

Manually complete CCC-694-1 (Reverse) according to the following table.

Complete items:

- 23 through 28 and items 34 through 41 to determine the commodity certificate value needed
- 29 through 32 to complete the loan exchange.

If items 34 through 41 are completed, forward totals to items 24, 25, and 30, as applicable.

Item	Instruction
23 and 34	Enter crop year, loan number, and commodity certificate transaction ID number determined from the transaction number register according to subparagraph B. For multiple loan exchanges, enter this information in item 34, as applicable. If multiple loan exchanges are applicable, ENTER “See Item 34” in item 23, as applicable.
24	Enter the total commodity certificate value determined by multiplying item 25 times item 28.
25	Enter the total loan quantity to be exchanged. For multiple or partial loan exchanges, include item 39 in the total entered in item 25, as applicable.
26	Enter the loan rate, as applicable.
27	Enter the exchange date. This is the date the commodity certificate is purchased from CCC.
28	Enter the exchange rate. This is the market loan repayment rate in effect on the date the commodity certificate is purchased according to paragraph 4.

106 Determining Commodity Certificate Exchange Value (Continued)

C Completing CCC-694-1 (Reverse) (Continued)

Item	Instruction
29	Enter the loan quantity to be redeemed from item 25.
30	Enter the loan principal to be repaid, by multiplying item 26 times item 29. For multiple loan exchanges, include the total loan principal from item 40.
31 and 32	Leave blank.
33	Enter remarks, as applicable.
34 through 41	Complete as necessary. Carry forward all totals to items 24, 25, and 30, as applicable.
42	Sign, date, and provide title, as applicable. County Offices shall file CCC-694-1 and CCC-681-1 A in the loan folder. Provide a copy of CCC-694-1 to the producer, as applicable.

Notes: See 8-LP:

- paragraph 991 for an example of CCC-694-1
- paragraph 985 for other methods that may be used to calculate the commodity exchange.

CCC-694-1 must always be filed in the producer's loan folder.

107 Purchasing Commodity Certificates

A CCC-694-2 Objective

CCC-694-2:

- is the acknowledgment between CCC and the producer of commodity certificate purchase to exchange for loan collateral
- replaces CCC-681-1A used for commodity certificate exchanges.

B CCC-694-2 Process

County Offices shall:

- prepare one CCC-694-2 for all loans being exchanged at 1 time by the producer
- include all commodity certificate transaction codes for all loans on one CCC-694-2.

C Who May Purchase CCC-694-2

The following may purchase a commodity certificate and exchange it for commodities previously pledged as collateral for a loan:

- any producer who signed CCC-677 or CCC-678, as applicable
- a person with a valid FSA-211 for a producer who signed CCC-677 or CCC-678, as applicable
- only the signature of the producer purchasing the commodity certificate is required for joint loans.

D Retaining CCC-694-2

CCC-694-2 **must never**:

- leave the County Office
- be photocopied
- be FAXed.

County Offices must file CCC-694-2 in the producer's loan folder, as applicable.

107 Purchasing Commodity Certificates (Continued)

E Completing CCC-694-2

Manually complete CCC-694-2 according to the following table.

Item	Instruction
1	Enter the crop year.
2A	Enter name and address of the producer requesting to purchase commodity certificate for loan exchange.
2B	Enter ID number of the producer requesting to purchase commodity certificate for loan exchange.
3	No entry is required.
4	Enter check number of the check received from the producer.
5	Enter the date of the check received from the producer.
6	Enter the check amount received from the producer that was determined on CCC-694-1, item 24.
7	Enter the commodity certificate transaction number or numbers. This number is any or both of the following: • the manually assigned number according to 8-LP, subparagraph 991 B • the APSS-assigned transaction number printed on CCC-500.
Part B	After the producer has read the Agreement, obtain the signature of the producer purchasing the commodity certificate and the date of signature. Place CCC-694-2 and CCC-694-1 (Reverse) in the producer's loan folder for which the commodity was exchanged, as applicable.

Note: See 8-LP, paragraph 992 for an example of CCC-694-2.

108 Exchanging Commodity Certificate for Loan Collateral

A When to Exchange Loan Collateral

When the producer has signed CCC-694-2 and the check has been submitted to purchase the commodity certificate, **immediately** complete the exchange of commodity certificates for loan collateral.

B Completing the Exchange

County Offices shall:

- determine loan quantity to be exchanged according to 8-LP, paragraph 991
- release loan quantity in the normal manner
- record the commodity certificate exchange through APSS.

108 Exchanging Commodity Certificate for Loan Collateral (Continued)

C Completing Commodity Certificate Exchanges With CCC-681-1 or CCC-685

If a producer wants to complete CCC-694-2 and use the buyer's check to purchase the commodity certificate, the producer may sign CCC-694-2 to acknowledge the commodity certificate exchange for loan collateral when CCC-681-1 or CCC-685 is requested.

When the buyer's check is received, County Offices shall:

- use the buyer's check to purchase the commodity certificate applicable to CCC-681-1 or CCC-685
- use the exchange rate in effect on the date the buyer's check is received in the County Office
- complete CCC-694-1 and CCC-694-2, as applicable
- complete the commodity certificate purchase
- repay the loan in the normal manner
- release the commodity or warehouse receipts in the normal manner.

If CCC-681-1 is requested by telephone, advise the producer to visit the County Office before the CCC-681-1 expiration date to complete CCC-694-2, as applicable.

109-124 (Reserved)

Part 4 Settlements and Forfeitures

125 Overview

A In This Part

This part includes the provisions for handling settlements for farm-stored rice delivered to CCC, and for warehouse-stored rice forfeited to CCC.

B Maximum Quantity for Delivery

The quantity eligible for delivery to CCC under a farm-stored loan settlement is limited to 110 percent of the outstanding loan quantity.

Note: If the maximum quantity is exceeded, require the producer to obtain a corrected warehouse receipt according to 8-LP.

C Rice Delivered Not Meeting Standards

For farm-stored rice delivered that does not meet the minimum eligibility standards for warehouse-stored loans, settle through APSS using the discounts in Exhibit 7.

If the special grade designation **"glutinous"** or **"parboiled"** is present on a warehouse receipt, contact PSD for further instructions.

D Aromatic Rice

Aromatic rice must be delivered, at the producer's expense, to a UGRSA-approved warehouse designated by CCC.

Credit for excess haul according to 8-LP, Part 10 shall not be granted to producers delivering aromatic rice.

126 Loan Maturity Report for Settlements

A Preparing Report

Prepare a loan maturity report according to 12-PS, Part 9, Section 2.

B Sending Notice of Maturity Letters

Send notice of maturity letter to producers with outstanding farm-stored loans according to 8-LP, paragraph 23 at least 45 calendar days, but not more than 60 calendar days, before the applicable loan maturity date.

Note: Indicate in the maturity letter for producers with loans on aromatic rice 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.

127 Determining Loan Settlement Values

A Basic Rule

Settlements shall be based on the quantity, limited according to 8-LP, Part 10 and quality of rice delivered in the settlement of the loan.

B Settlement Rate Based on Milling Yield

Settlement rates, like loan rates for warehouse-stored loans, are based on whole kernels and ***--**broken rice times the respective national loan rates for whole kernels and broken rice for**--***
the class of rice delivered, then adjusted for discounts.

C Discounts

For the applicable discounts, see Exhibit 7.

Note: To obtain discounts for factors or percentages of factors **not** shown in Exhibit 7:

- contact PSD by either of the following:

  - ***--**e-mail at **jose.gonzales@wdc.usda.gov**
  - telephone at 202-690-2534**--***

- do **not** contact KCCO.

D Settlement Value of Zero

If discounts applied during settlement result in the rice having a value of zero or less than zero, use zero as the settlement value.

128 Handling Settlements

A Preparing CCC-691

Schedule deliveries and prepare CCC-691 according to 8-LP, Part 10.

B CCC-692

Process the settlement in APSS according to 12-PS, Part 9, Section 5, to generate CCC-692 and, if applicable, CCC-184's. If the settlement results in an amount due:

- producer, issue CCC-184's
- CCC, send the producer a notification letter for the amount due according to 8-LP, Part 10.

Note: See 8-LP, Part 10 for charges and credits applicable to the settlement.

C Releasing Note

After the settlement has been completed, mark the original note and security agreement as settled and return it to the producer.

129-140 (Reserved)

Section 2 Forfeitures

141 Loan Maturity Report for Forfeitures

A Preparing Report

Prepare a loan maturity report according to 12-PS, Part 9, Section 2.

B Sending Notice of Maturity Letters

Send notice of maturity letter to producers with outstanding warehouse-stored loans according to 8-LP and the following:

- notify each producer of the maturity date and the following options that are available:
  - redeem collateral by repaying the loan with cash, at principal plus interest
  - redeem collateral by repaying the loan with cash, at an AWP repayment rate
  - exchange outstanding loan collateral with a commodity certificate

  --Note:** See paragraph 105 for applicability.**--*

  - settle the loan by forfeiting the collateral to CCC at maturity
- send the notice of maturity letter at least 45 calendar days, but not more than 60 calendar days, before the applicable loan maturity date.

142 Refunding Prepaid Charges

A Handling Charges

APSS will refund prepaid handling charges, if applicable, at the lower of the following rates:

- the approved UGRSA rate in effect on the date the rice was received at the warehouse
- the rate the producer paid to the storing warehouse.

B Storage Refund

When KCCO calls warehouse-stored loans before maturity or if storage was prepaid beyond loan maturity, make refunds for the period of the unearned storage not to exceed the approved UGRSA rate.

APSS will determine the amount of refund from the schedule of rates provided by KCCO for:

- the period corresponding to the date the loan was called through maturity
- the period of excess storage paid.

143 Handling Loan Forfeitures

A Warehouse-Stored Loan Forfeitures

Handle loan forfeitures according to 8-LP, Part 11.

Process forfeitures through APSS according to 12-PS, Part 10.

B Releasing Note

After warehouse receipts have been forfeited, mark the original CCC-678 "**forfeited**" and return it to the producer.

144-149 (Reserved)

Part 5 Loan Deficiency Payments

150 Overview

A In This Part

This part includes instructions for preparing and issuing LDP's.

B Definition of LDP

LDP's are payments made to producers who, although eligible to obtain a CCC marketing assistance loan, agree to forgo the loan in return for a payment on the rice.

The amount of LDP is the difference between the loan rate based on the national average milling yield and AWP, times the quantity.

151 Basic LDP Provisions

A General Provisions

LDP's:

- shall not be combined for more than 1 class of rice

•*****--will be processed through APSS and eLDP--*****

- will be made in cash subject to assignment according to 63-FI

- will be issued by EFT or check, as applicable

•*****--shall not be subject to payment limitation for crop years 2009 through 2012

- shall be subject to AGI for crop years 2009 through 2012--*****

- are subject to:

  - administrative offset according to 58-FI
  - spot check according to 8-LP, Part 5

- must be approved before the final loan availability date

- cannot be:

  - canceled or repledged once a request has been made
  - repaid to obtain a loan or LDP

- are not subject to State assessments

- will be paid when approved.

Lien searches and lien waivers are not required.

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

***--**For applicable payment rules for monitoring payment limitations for 2008 crops see 4-PL.

E Denied LDP Amounts for Crop Year 2008**--***

All or part 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 Denied LDP Amounts for Crop Years 2009 Through 2012

All or part of a producer's calculated LDP amount may be denied if average adjusted gross nonfarm income exceeds $500,000.**--***

G LDP Amount Reported to IRS

The amount of LDP is:

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

151 Basic LDP Provisions (Continued)

H 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.

I Waiver of Storage Requirements

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

J LDP Number Register

--**APSS and eLDP will assign an LDP number sequentially with loan numbers for each crop**--
year.

K 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
- ***--**a separate LDP for ACRE enrolled forms.**--***

L 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.

152 Request for LDP

A Request

LDP requests are complete when a County Office receives a completed and signed
*--CCC-633 EZ, pages 1 and 2.

B General Information

LDP's must be requested:

- before beneficial interest is lost according to 8-LP, Part 2

  Note: CCC-633 EZ, page 1 must be requested before beneficial interest is lost.--*

- on or before the final availability date for the crop year of the commodity

- from a CMA-service County Office for CMA's according to 1-CMA

- at the County Office where the farm records are kept for the farm on which the
  --commodity was produced in person, by FAX, mail, or through eForms.--

If the producer farms in more than 1 county, the County Office **first** contacted shall:

- accept requests

- contact other County Offices when either of the following applies:

  - the request covers eligible production from more than 1 farm and the farm program records are kept in more than 1 County Office

  - LDP's were received from more than 1 County Office

- FAX LDP requests to the applicable County Office for completion.

LDP requests must be:

- approved when all eligibility requirements are met

- *--date-stamped when CCC-633 EZ, pages 1 and 2 are received in the County Office to indicate the request date.

  Note: See 8-LP, Exhibit 6 for the suggested LDP checklist.--*

152 Request for LDP (Continued)

*--B General Information (Continued)

Issue payments when:

- CCC-633 EZ, page 1 has been filed and CCC-633 EZ, page 2 is approved
- quantity has been certified or delivery documentation was received on which beneficial interest has been lost.

C Joint LDP's

All producers sharing in the rice who are requesting LDP jointly shall sign CCC-633 EZ.--*

D Contracts

Review contracts, or require certification of no contract, if applicable, and make beneficial interest determinations according to 8-LP before approving LDP's **only** in situations when there is reason to believe the producer may have lost beneficial interest in the rice.

153 FAXed LDP Applications

A Acceptable FAXed LDP Applications

--**FAXed LDP application requests are considered complete when CCC-633 EZ is:**--

- correctly completed by the producer
- received in the County Office, as applicable.

B Ineligible FAXed LDP Applications

***--**FAXed LDP requests submitted on any form other than CCC-633 EZ are not acceptable.

C Incorrect FAXed LDP Requests

If CCC-633 EZ is not correctly completed by the producer according to paragraph 156 or 158, as applicable, return the LDP request to the producer and explain the circumstances of request denial.

Instruct the producer that a new LDP request must be made to receive LDP. A new LDP rate will be established based on the date of the correctly completed request if the producer selects item 23 A on CCC-633 EZ, page 2.

D Signatures

Follow-up original copies and signatures are not required for LDP requests FAXed on CCC-633 EZ.**--***

153 FAXed LDP Applications (Continued)

E Applications Requested But Not Received

If a producer inquires about a FAXed LDP application, and the application was not received in the County Office, County Offices shall:

- ***--**require producer to submit documentation to verify CCC-633 EZ was FAXed**--***

- accept producer's completed LDP application

- document the date the LDP application was FAX and the reason the FAX was not received

- use the LDP rate in effect on the date printed by the FAX machine on the original LDP ***--**request transmittal, if applicable

  Note: If item 23 A was selected on the CCC-633 EZ LDP request, then the LDP rate will be based on the LDP rate in effect in the county where beneficial interest was lost.**--***

- **not** accept or approve producer's LDP application unless the producer can provide verification of the actual FAXed date.

154 Eligible Quantity

A Commodity Eligibility Requirements

To be eligible for LDP, the quantity of commodity must:

- meet eligibility requirements in paragraph 15
- have been produced by an eligible producer
- not have been previously pledged as collateral for a loan and repaid with cash at a rate less than the principal, plus interest
- not have been previously requested or paid for LDP.

A quantity of a commodity eligible to be repledged for a nonrecourse loan is eligible for LDP.

For LDP's on:

- commodities harvested as other than grain, see 8-LP, Part 3, Section 2
- low quality commodities, see 8-LP, Part 3, Section 3
- contaminated commodities, see 8-LP, Part 3, Section 4.

B Quantity Requested

Eligible producers may request LDP quantities by:

- certifying the quantity
- requesting measurement service
- certifying date of delivery *** * ***
- providing delivery evidence
- ***--**providing production evidence if beneficial interest has been lost.

Note: CCC-633 EZ, page 1 must be on file before beneficial interest is lost in the quantity requested.**--***

154 Eligible Quantity (Continued)

C Certified Quantity

Producers may request LDP by certifying the quantity. A reasonableness check using yields established by COC, according to 8-LP, paragraph 132, must be completed to ensure that the commodity was produced by the producer. All certified LDP's are subject to spot check according to 8-LP, Part 5.

COC set yield does not ensure that the commodity was produced; however, it establishes a guide for reasonableness of production.

D Measured Quantity

Eligible producers may request measurement service to obtain LDP.

***--**If measurement service is requested on FSA-409:

- complete CCC-677-1 in addition to CCC-633 EZ, page 1 according to paragraph 490**--***
- reduce the measured quantity to the maximum eligible moisture level if the commodity contains moisture exceeding the level for the commodity according to the applicable 2-LP.

LDP's requested by measurement service are not subject to spot check.

*** * ***

E Quantity Supported by Production Evidence

If producers do not wish to certify to the quantity or date delivered, requests can be completed by providing production evidence according to 8-LP, Part 5, Section 3.

If production evidence is provided at time of payment request, then LDP will not be subject to spot check.

155 Types of LDP's

A Types of LDP's

LDP's are requested for any stored quantity the producer maintains beneficial interest in on date of request and can be either:

- farm-stored quantities
- warehouse-stored quantities
- ***--**warehouse-stored quantities as shown on the paper receipt or EWR--*.

LDP Type	LDP Rate
Beneficial interest maintained	Rate on date of request
Beneficial interest lost	Rate in effect on date sold according to acceptable sales evidence
Delivery date **Note:** Beneficial interest maintained, but before delivery the producer requests to use rate in effect on date of delivery.	Rate in effect on date delivered from the field

*--156 Completing CCC-633 EZ

A Completing CCC-633 EZ, Page 1

Complete CCC-633 EZ, **page 1** according to the following.

Item	Instructions
1	Enter the producer's name and address. This should be the name of the individual, joint operation, or entity for which benefits may be requested.
2	Enter the telephone/cell number, including area code, of the applicant.
3	Enter the last 4 digits of the applicant's Social Security or tax ID number of the producer or entity in item 1.
4	Enter the crop year for the commodities covered by the LDP agreement.
5	Enter the States and the counties where the applicant has an interest for the designated crop year. **Note:** CCC-633 EZ covers interests in all eligible LDP commodities of the applicant listed in item 1. The County Office that first receives page 1, shall forward to other County Offices, as applicable, by FAX or mail.
Part A – Terms and Conditions	
All applicants requesting LDP shall review and understand the terms and conditions of this agreement.	
Part B – Methods of Payment Request	
All applicants requesting LDP shall review and understand the methods by which a payment request may be initiated under this agreement. **Note:** CCC-633 EZ, page 2 **must** be received in the County office before the final loan availability date for the applicable commodity.	
Part C – Producer Signature and Certification	
6 and 7	After reading the certification statement, the applicant shall sign and date. **Note:** Generally there will be 1 form per individual/joint operation/entity. Multiple signature lines are provided for cases where multiple signatures are required to act for the joint operation/entity. If additional signature lines are needed, the applicant shall use CCC-633 EZ, page 5, Part C.
Part D – CCC Agreement (FSA Use Only)	
8	Enter signature of authorized CCC Representative.
9	Enter title of authorized CCC representative.
10	Enter date of CCC representative's signature.
11	Enter additional information pertinent to the approval or disapproval of agreement.
12	Enter the name and address of the County FSA Office, LSA, or DMA receiving and signing the original CCC-633 EZ, page 1. The County Office may enter their assigned State and county code in place of their name and address.

--*

156 Completing CCC-633 EZ

B Example of CCC-633 EZ, Page 1

The following is an example of CCC-633 EZ, page 1.

*--

This form is available electronically. Form Approved - OMB No. 0560-0129

CCC-633 EZ
(09-05-07)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

LOAN DEFICIENCY PAYMENT (LDP) AGREEMENT AND REQUEST

1. Name and Address of Producer *(Include ZIP Code) (Please Print)*

2. Telephone/Cell Number *(Include Area Code)*:

3. ID Number *(Last 4 Digits)*:

4. Crop Year:

5. State(s) and County(s)

All eligible producers entering into this agreement **MUST** meet marketing assistance loan eligibility and have beneficial interest in the quantities covered by this agreement for the applicable crop year when signing this form. A producer is considered to have beneficial interest in the specified quantities if the producer has **ALL** of the following:

- title to the commodity
- control of the commodity

File this form **BEFORE** loss of beneficial interest (title and control) to indicate your intentions to receive Loan Deficiency Payment (LDP) benefits for this crop year for **all counties** and **all eligible harvested, sheared, or slaughtered commodities** for the individual, joint operation, or entity identified in Item 1. The CCC-633 EZ - LDP Request (Page 2), Cotton LDP Request (Page 3), or Request for Wool, Mohair, or Unshorn Pelt LDP (Page 4) must be completed **BEFORE** the final loan/LDP availability date to receive LDP benefits.

PART A - TERMS AND CONDITIONS

- The LDP rate will be based on the **earlier** of: a) the date beneficial interest is lost as applicable to specific commodity provisions; or b) the LDP request date as submitted on the CCC-633 EZ (Page 2) Part E, or CCC-633 EZ (Page 4) for wool, mohair, and unshorn pelts. For cotton LDP's requested on CCC-633 EZ Cotton (Page 3), the LDP rate will be based on the information provided on Page 3.
- Quantities covered by this agreement were produced by the producer and not purchased or acquired directly or indirectly from any other source or committed under a marketing agreement to a Cooperative Marketing Association (CMA.)
- As a condition of receiving an LDP, a producer (or members of a CMA) must first resolve delinquent federal non-tax debt(s). The debt(s) must be resolved **before** the final loan/LDP availability date.
- CCC may request copies of contracts and supplemental documentation to determine eligible quantity and when beneficial interest was lost.
- If a Marketing Assistance Loan (MAL) is disbursed for a quantity covered by this agreement and the MAL is repaid at a price **less than** principal and interest, this agreement becomes null and void for that specific quantity.
- All producers with an interest in the quantity covered by this agreement must sign a CCC-633 EZ Part C, to obtain LDP benefits.

PART B - METHODS OF PAYMENT REQUEST *(Request must be submitted by final loan/LDP availability date.)*

- For quantities represented by verifiable production evidence under this agreement, submission of evidence in combination with Part E, Part N, or Part O of this form as applicable shall be considered a request for payment. Evidence must include sufficient data to determine producer and commodity eligibility and LDP rate.
- For quantities for which verifiable evidence is unavailable (i.e., certified quantities, fed quantities, quantities used for seed, silage, etc.), the request for payment shall be initiated by recording a certification of quantity on Part E, Part N, or Part O of this form as applicable. Additional information may be requested by CCC to determine producer and commodity eligibility and LDP rate.
- Submission of an eLDP shall be a request for payment. The CCC-633 EZ Part E is not required for that specific quantity.
- **For Cotton Producers Only:** Producer agrees: a) any request for a module lock-in or post-ginning LDP is irrevocable and cannot be cancelled or revised unless the LDP is denied due to payment limitation; b) any request for a gin-direct LDP is irrevocable on or after the date of ginning; c) entry of information on Page 3 of this application constitutes an irrevocable application for the Adjusted World Price (AWP) to be locked in on the date an accurately completed application is submitted for an LDP based on gin-provided documentation identifying the bales produced from the module/storage unit for which the AWP lock-in applies.

PART C - PRODUCER SIGNATURE AND CERTIFICATION *(For additional signatures, complete CCC-633 EZ Continuation, Part C)*

I/we certify all information entered on this form is true and correct. By certifying to the terms and conditions in Part A, the producer(s) hereby enters into this agreement with CCC for all eligible commodities. The producer(s) agrees: 1) any false claim or false statement may lead to civil liability or criminal prosecution; 2) LDP's may be selected for spot-check and the producer will be required to provide supplemental documents to determine program eligibility; 3) to forgo a commodity loan on the quantity requested for LDP unless a quantity is denied LDP due to payment limitation; 4) not to refund any LDP amount in order to obtain a commodity loan; 5) this agreement and subsequent payment request is subject to CCC determination of producer and commodity eligibility subject to 7 CFR Parts 1421, 1425, 1427 and 1434; 6) that CCC shall require refund of LDP, plus interest, from the date of payment if producer(s) and/or commodity is later determined ineligible by CCC; 7) CCC shall assess administrative penalties and/or liquidated damages in accordance with 7 CFR Parts 1421, 1425, 1427 or 1434, as applicable, if producer(s) misrepresented the eligible quantity and/or commodity covered by this agreement; 8) the maximum eligible quantity and yield determinations must equal the quantity and yield determinations for disaster or crop insurance indemnity payments, when and if applicable; and 9) to submit the applicable CCC-633 EZ, Page 2, Page 3, Page 4 or an eLDP online request before obtaining LDP amounts.

6. Signature of Producer	7. Date (MM-DD-YYYY)	6. Signature of Producer	7. Date (MM-DD-YYYY)	6. Signature of Producer	7. Date (MM-DD-YYYY)

PART D - CCC AGREEMENT *(FOR CCC USE ONLY)*

8. Signature of CCC Representative	10. Date (MM-DD-YYYY)	11. Additional Information	12. Name and Address of County FSA Office or LSA or DMA
9. Title of CCC Representative			

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR Parts 1421 and 1427. The information will be used to determine eligibility and the amounts of program benefits. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in determination of ineligibility for program benefits. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0129. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. ***RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.***

Page 1

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

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*--156 Completing CCC-633 EZ

C Completing CCC-633 EZ, Page 2

Complete CCC-633 EZ, page 2 according to the following.

Item	Instructions
	Part E – Request for LDP
13A and 13B	Enter the producer's name, address, and telephone number, including area code. **Note:** This should be the same as in item 1.
14	Enter the last 4 digits of the applicant's Social Security or tax ID number.
15	Enter the crop year for which LDP is requested.
16	Enter the State and county where the farm records are maintained
17	Check either "Yes" or "No" to the question, "Are you or any co-applicant delinquent on any Federal Non-tax debt?" If "Yes" is checked, explain in item 32.
18	**For FSA use only.** Enter the processing system assigned LDP number.
19	Enter the commodity for which LDP is requested along with the class, variety, or type, as applicable. For sunflowers, ENTER "oil" or "other", as applicable. If the commodity requested is wheat and the class is mix, producers must indicate the predominate class of wheat.
20	Enter the net quantity and unit of measure requested for this payment. **Note:** User may ENTER "All" if the producer selects the "date of delivery" option or a measured LDP. For commodities harvested as other than grain, the quantity may be certified as tons, acres harvested, bushels, pounds or cwt. CCC is required to establish a whole grain yield according to 8-LP, paragraph 536.

--*

*--156 Completing CCC-633 EZ

C Completing CCC-633 EZ, Page 2 (Continued)

Item	Instructions
	Part E – Request for LDP (Continued)
21	Check the box from the following that corresponds with the source of the quantity in item 20: • "A", "Certified", if no acceptable production and/or sales evidence is provided at the time of payment request, check box **Note:** Certified quantities are subject to spot-check and CCC may require production evidence to support the certification. • "B", "Measurement Service", if measurement service is requested to determine quantity **Note:** The servicing County Office will initiate a measurement service at the location described in item 22. By requesting measurement service, the applicant agrees the quantity determined by measurement service will be the maximum quantity eligible for LDP and the request for payment is irrevocable. • "C", "Production Evidence", if request for payment is accompanied by production and/or sales evidence. **Note:** When acceptable production and/or sales evidence is provided at the time of payment request, no additional documentation will be required.
22	Enter the State (if necessary) and county, where the quantity in item 20 is stored. In addition, enter the location within the same county where the commodity is stored. **Example:** Bin number, legal description, and/or land description; enter the warehouse name if commodity is warehouse stored. A separate LDP request must be completed for quantities stored in a different county.

--*

*--156 Completing CCC-633 EZ

C Completing CCC-633 EZ, Page 2 (Continued)

Item	Instructions
Part E – Request for LDP (Continued)	
23A And 23B	Enter the date of this request, date BI was lost, or the date of delivery. If a request has multiple dates (such as date of feeding or sale) and production evidence or schedule/ledger that is provided shows when BI is lost, this item can be left blank. If page 2 is filed before delivery and the producer wants to use the "date of delivery" option, Box "B" must be checked.
24	**For FSA use only.** Enter the LDP rate in effect according to the applicable date as provided in item 23. For multiple dates of delivery, ENTER "See Attached Production Evidence".
Part F – Producer Certification	
25 through 27	At the time of completion for each request, the producer shall sign in item 25, enter the share percentage of the LDP quantity in item 26, and enter the date in item 27. This indicates the applicant's intention to receive an LDP payment based on the applicable quantity and effective LDP rate. **Note:** If additional signatures lines are needed, use CCC-633 EZ Continuation, page 5, Part F. If BI has **not** been lost, then the effective LDP rate will be based upon the time and date a properly completed request for payment is received in the FSA County Office.
Part G – CCC Approval	
28	Enter signature of authorized CCC representative.
29	Enter title of authorized CCC representative.
30	Enter date of CCC representative's approval.
31	FSA office will check either "Approved" or "Disapproved".
32	Enter any additional information pertinent to the approval or disapproval of this payment request.

--*

156 Completing CCC-633 EZ

D Example of CCC-633 EZ, Page 2

The following is an example of CCC-633 EZ, page 2.
*--

CCC-633 EZ (09-05-07)

PART E - REQUEST FOR LDP

13A. Contact Name and Address of Producer *(Include Zip Code) (Please Print)*	14. SSN *(Last 4 Digits)* or ID Number	15. Crop Year	17. Are you or any co-applicant delinquent on any federal non-tax debt? If "YES", explain in Item 32.
13B. Telephone/Cell Number *(Include Area Code) (Optional)*:	16. State and County where Farm Records are Maintained		☐ YES ☐ NO

A completed CCC-633 EZ, Page 1 must be on file before beneficial interest (title and control) is lost in the requested quantity for this to be considered a valid request for payment.
This request for payment, with acceptable production evidence (if applicable), must be submitted to the County FSA office that administers the farm records for the requested commodity and quantity.

Complete Items 19 through 23 and sign/date below. Indicate in Item 21 if this is a certified LDP, request for measurement service, or indicate production evidence is attached, as applicable. When beneficial interest has been lost, indicate date of sale, fed, used for seed, etc, as applicable, in Item 23. If additional entries are needed, provide data on an additional CCC-633 EZ, Page 2.

18. LDP No. (CCC Use Only)	19. Commodity Class, Variety, Type	*20. Net Quantity Requested and Unit of Measure (bu., tons, cwt., lbs., etc.)	21. Source of Quantity (Check one of the following)			22. Stored or Delivery Location, if applicable (State, County, Warehouse, or Bin Site)	23. Effective Date of LDP Rate (MM-DD-YYYY)		24. LDP Rate (CCC Use Only)
			A. Certified	*B. Measurement Service	C. Production Evidence	**Examples:** Warehouse-Stored: Ohio, Athens Co., ABC Warehouse; Farm-Stored: Texas, Webb Co., 30' Butler Bin, North of House	A. Date of LDP Request or Date Beneficial Interest Was Lost	B. Date of Delivery	

* If measurement service is requested, I agree to pay the required fee(s) and agree this request is irrevocable. The quantity determined by measurement service will be the maximum quantity eligible at the time of this request. Producer must enter in Item 20, a specific quantity or "ALL" for this LDP application to be valid.

PART F - PRODUCER CERTIFICATION ***(For additional signatures, complete CCC-633 EZ Continuation, Part F)***

I certify all information entered on this form is true and correct. By completing Part E and signing and dating this form, I hereby make a request for payment from the Commodity Credit Corporation (CCC) for the commodity described above under the terms and conditions as provided on the CCC-633 EZ, Loan Deficiency Payment (LDP) Agreement and Request. I also understand that a CCC-633 EZ, Page 1 MUST be on file at the FSA County Office for this LDP request to be considered complete.

25. Signature of Producer	26. % Share	27. Date (MM-DD-YYYY)	25. Signature of Producer	26. % Share	27. Date (MM-DD-YYYY)

PART G - CCC APPROVAL ***(FOR CCC USE ONLY)***

28. Signature of CCC Representative	29. Title of CCC Representative	30. Date (MM-DD-YYYY)	31. Action:	32. Additional Information
			☐ Approved ☐ Disapproved	

Page 2

E Completing CCC-633 EZ for Measured Rice LDP's

See 8-LP, paragraph 307.6 for completing measurement service LDP requests.--*

157, 158 (Withdrawn--Amend. 8)

159 CCC-700 and CCC-700A

A Purpose

CCC-700 and CCC-700A are APSS computer-generated forms used to illustrate LDP payment information and, if applicable, marketing certificate payment information.

Note: County Offices shall manually prepare these forms when the computer is inoperable according to 8-LP, Part 3 and manually issue payments on CCC-184 prepared according to 1-FI.

160-174 (Reserved)

Part 6 Electronic Warehouse Receipts

175 General Information

A Definitions [7 CFR 735.3]

CFS is an electronic system operated and maintained by a provider, as a disinterested third party authorized by DACO, where information relating to EWR's, USWA documents, and other electronic documents are recorded and maintained in a confidential and secure fashion independent of any outside influence or bias in action or appearance.

EWR's are receipts authorized by DACO to be issued or transmitted under the U. S. Warehouse Act as electronic documents.

A provider is a person authorized by DACO, as a disinterested third party, that maintains 1 or more confidential and secure electronic systems independent of any outside influence or bias in action or appearance.

A holder is a person that has possession in fact or by operation of law, of EWR's, USWA electronic documents, or any electronic documents.

B FSA's EWR Web-Based System for Rice

FSA's EWR web-based system:

- shall be used by County Offices when producers apply for price support benefits using EWR's
- allows County Offices to:
  - download EWR's from the provider CFS
  - transfer data to APSS to complete the loan *** * ***
  - release EWR's when loans are liquidated
- eliminates entering manual warehouse receipt-related data needed to complete price ***--** support MAL transactions in APSS or LDP transactions in eLDP and allows County**--*** Offices to electronically transfer EWR's to either of the following:
  - new holders after the loan is repaid
  - KCCO at forfeiture.

*--175 General Information (Continued)

C EWR Transaction Types

EWR web-based system for rice provides the following transaction capabilities to authorized users.

Transaction Type	Transaction Code
Download EWR for price support.	DPS
Release EWR to new EWR holder.	RPS
Reset EWR to its pre-download status.	UPS
View EWR information.	RRI
Transmit price support information to the provider's CFS.	IPS

--*

*--176 Responsibilities

A Producer Responsibilities

The producer shall:

- deliver the commodity to the warehouse

- instruct the warehouse to issue EWR as "loanable", if producer intends to apply for price support benefits

  Note: A "loanable" indicator does **not** make CCC the holder of EWR but enables CCC to access EWR when the producer applies for price support benefits.

- obtain a list of EWR's.

  Note: At a minimum, the EWR list shall include:

  - producer name
  - warehouse code
  - commodity type
  - commodity class
  - EWR number
  - ***--**ACRE enrollment indicator.

    Note: County Offices shall determine the producer's ACRE enrollment status manually.**--***

B Warehouse Responsibilities

The warehouse shall:

- accept the commodity delivered by the producer
- subscribe to a provider system approved to issue rice EWR's
- issue and cancel EWR's through the selected provider.

  Note: EWR's **must** be issued through the provider CFS according to the Provider Agreement with DACO.

176 Responsibilities (Continued)

C Provider Responsibilities

The provider shall:

- sign a Provider Agreement with DACO
- maintain EWR's on behalf of the warehouse
- handle and maintain EWR's in CFS in a secure manner
- enter into an agreement with CCC on handling EWR data used to obtain price support benefits
- implement instructions issued by authorized holder of EWR's
- contact Patricia Barrett, Warehouse Operations Program Manager at 202-720-3877, with questions on EWR provider responsibilities.

D FSA County Office Responsibilities

County Offices shall:

- use FSA's EWR web-based system to:
  - download and process EWR's for price support activity
  - verify the downloaded EWR that goes with the loan/LDP request
  - transfer EWR's to APSS to complete the loan application
  - release EWR to the authorized holder at liquidation
  - return EWR to CFS, when applicable
  - print "printer friendly" pages to include in the loan/LDP file
- complete loan *** * *** applications using EWR's in APSS

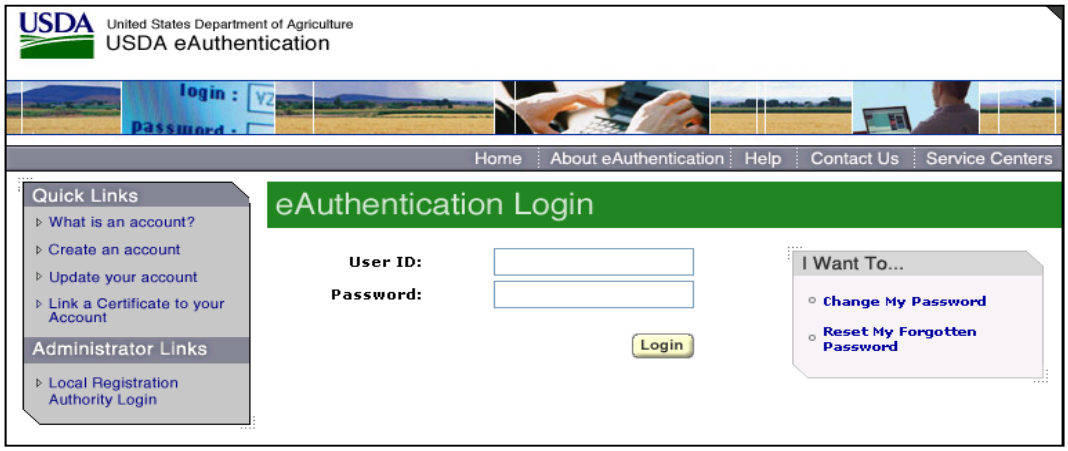
•*****--complete LDP applications using eLDP--*****

- record liquidation transactions associated with loan in APSS **before** releasing EWR.

177 Using FSA's EWR System for Rice

A Accessing FSA's EWR Web-Based System

The following table provides steps to access FSA's EWR web-based system.

Step	Action
1	Access the web application by selecting FSA Application link on the FSA Intranet Home Page at **https://fsaintranet.sc.egov.usda.gov/fsa/.** Under Price Support, CLICK "EWR-Electronic Warehouse Receipts".
2	The eAuthentication Login Screen will be displayed to enter the appropriate credentials. See 6-IRM, Exhibits 16.5 through 16.8 for guidelines. The following is an example of the eAuthentication Login Screen. 

B State, County, Commodity and Crop Year Selection

*--Once the login process is completed and the user clicks "Login", Screen EWR010, **State, County, Commodity and Crop Year,** will be displayed in the FSA web-based EWR system.

From the drop-down box, select the applicable:

- State
- County
- Commodity
- Crop Year.

For rice, select 1 of the following from the commodity drop-down list:

- Rough Rice - L
- Rough Rice - M
- Rough Rice - S.

Note: MAL or LDP for "Rough Rice - S" will have the same loan rate, premiums and discounts, and LDP rate as "Rough Rice - M.--*

177 Using FSA's EWR System for Rice (Continued)

B State, County, Commodity and Crop Year Selection (Continued)

*--The commodity selection, "Rice-View All" from the drop-down list is available for users authorized to view rice EWR's for all classes of rice. Other Commodity selections are applicable to peanut EWR's.

CLICK "Submit". Screen EWR000, "**Electronic Warehouse Receipts Program**" will be displayed.--*

The following is an example of the **State, County, Commodity and Crop Year Selection** Screen.

*--

--*

Select the applicable crop year and CLICK **"Submit"**. The Welcome to the Electronic Warehouse Receipts Program Screen will be displayed.

C Welcome to the Electronic Warehouse Receipts Program Screen

The following is an example of the **Welcome to the Electronic Warehouse Receipts Program** Screen.

*--

--*

177 Using FSA's EWR System for Rice (Continued)

D EWR Applications Menu Options

The EWR application provides the following menu options displayed on the left navigation bar:

- Request Receipts
- Send Receipts to APSS
- Release Receipts
- View Receipts
- Change State, County, Commodity and Crop Year, if applicable.

***--Note:** Use the "Change State, County, Commodity and Crop Year" option, located under "EWR Applications" on the left of the screen to process receipts for another State, county, or class of rice other than what is displayed on the Welcome to the Electronic Warehouse Receipts Program Screen.

E Change State, County, Commodity and Crop Year Option--*

County Offices with multiple counties, including County Offices acting as CMA Service Centers, shall be provided with a drop-down box to select the applicable State and county where the loan/LDP will be processed.

The following is an example of the **State, County, Commodity and Crop Year Selection** Screen with the drop-down box for selecting the applicable State and county for loan/LDP processing.
***--**

--*

Select the applicable State, county, commodity, and crop year from the drop down box. This should be the State and county where the loan request is to be processed.

*--178 Requesting EWR's

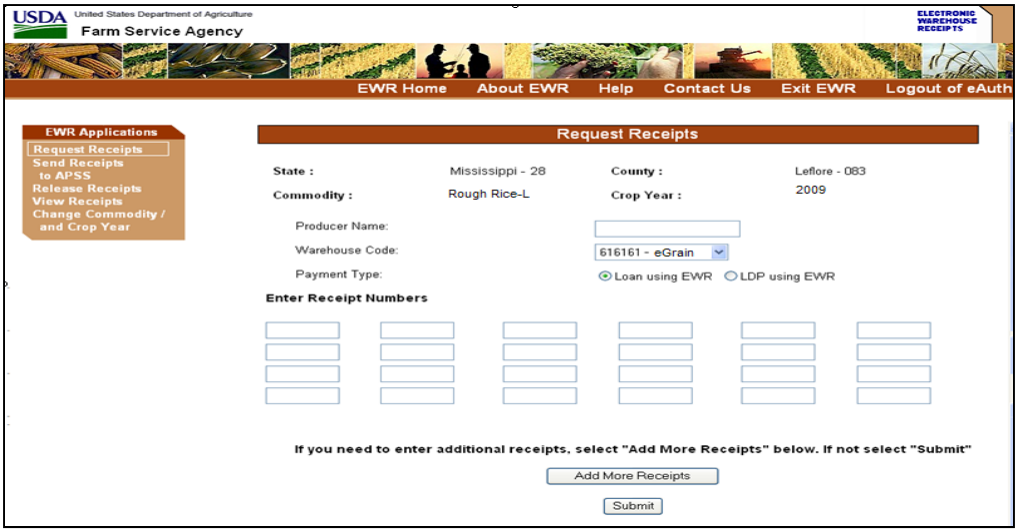
A Submitting Requests for EWR's

Producers requesting loans or LDP's shall provide County Offices with basic loan or LDP application requirements. In addition to the producer and farm information, the applicant shall at a minimum, provide the following information:

- *--producer name
- warehouse code
- commodity type
- commodity class
- list of EWR numbers
- ACRE indicator.

Note: County Offices shall request receipts from ACRE and non-ACRE farms Separately.--*

County Office can accept the information from producers by either FAX or e-mail. The following table provides steps for requesting EWR's from the provider CFS.

Step	Action
1	CLICK **"Request Receipts"** from the left navigation bar to request EWR data associated with producer's application. The following is an example of a Request Receipt Screen. *--  Beginning with the 2009 crop year, loans/LDP request on quantities from ACRE and non-ACRE enrolled farms **must** be processed separately.--*

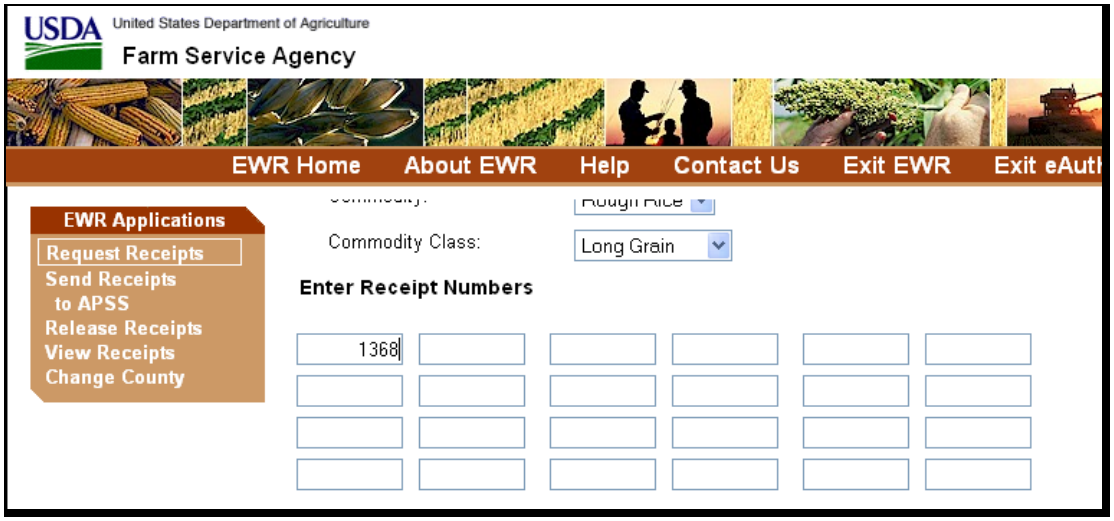
178 Requesting EWR's (Continued)

A Submitting Requests for EWR's (Continued)

Step	Action
2	On the Request Receipts Screen, select the appropriate crop year from the drop-down menu and complete the following required data: • producer name **Note:** This will be used to identify the request, but does **not** have to exactly match the name in SCIMS name and address file. • warehouse code **Note:** A list of participating warehouses will be displayed in the drop-down menu. •***--**payment type (CLICK "radio button" corresponding to the type of request**--*** • EWR numbers. **Note:** The Request Receipt Screen will allow users to enter 24 EWR's per screen.

*--178 Requesting EWR's (Continued)

A Submitting Requests for EWR's (Continued)

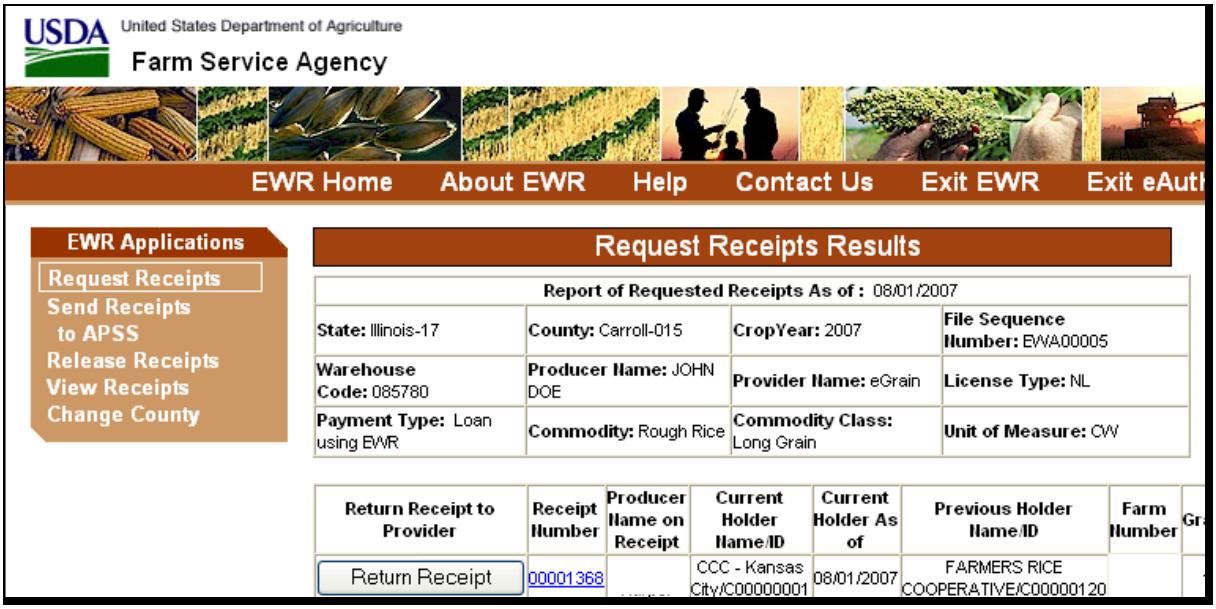
Step	Action
3	If entering more than 24 EWR's, on the Request Receipt Screen, CLICK **"Add More Receipts"**. A Request Receipt Continuation Screen will be displayed that allows users to enter additional EWR numbers for the request. 
4	CLICK **"Submit"** to send the request for EWR's. FSA's EWR web-based system will retrieve the requested EWR's from Provider's system used by the warehouse to issue EWR's.

--*

*--178 Requesting EWR's (Continued)

B Requesting EWR Results

FSA's EWR web-based system will retrieve the information from Provider's system and display the Request Receipts Results Screen.



The upper portion of the Request Receipts Results Screen will be displayed with the:

- data submitted with the request, according to subparagraph 177, with the Provider's name, license type, and unit of measure

- File Sequence Number assigned to the request.

  Note: FSA's EWR web-based system assigns an 8-character alphanumeric file sequence number according to this table.

Position	Format	Description	Comments
1-2	EW	Indicates it is an EWR.	Assigned to all EWR's.
3	A to Z	Crop year indicator.	Starts with A for 2007 crop year and is incremented by 1 year for subsequent letters (B for 2008, C for 2009, etc).
4-8	Number	File sequence counter.	Starts with 00001 each crop year.

--*

178 Requesting EWR's (Continued)

B Request EWR Results (Continued)

The lower portion of the Request Receipts Results Screen will be displayed with the Report of Requested Receipts providing a list of valid EWR's, EWR's with the errors, and the corresponding error description, if applicable.

A "printer friendly" page will be available. Print the data and the Report of Requested
--Receipts and file in the loan folder. The following is an example of the Report of--
Requested Receipts.

Report of Requested Receipts As of : 08/01/2007

State: Illinois-17	**County:** Carroll-015	**CropYear:** 2007	**File Sequence Number:** EWA00005
Warehouse Code: 085780	**Producer Name:** JOHN DOE	**Provider Name:** eGrain	**License Type:** NL
Payment Type: Loan using EWR	**Commodity:** Rough Rice	**Commodity Class:** Long Grain	**Unit of Measure:** CW

Receipt Number	Producer Name	Current Holder Name/ID	Current Holder As of	Previous Holder Name/ID	Farm Number	Grade	Storage Paid Thru	Weight
00001368	Mavis Harper	CCC - Kansas City/C00000001	08/01/2007	COOPERATIVE/C00000120		1	05/31/2008	12345.67
Total Valid Receipts: 1							**Total Weight: 12,345.67**	

Receipt Number	Reason Code	Reason Description
Total Receipts Returned: 0		

Screen Id : EWR024

close window

178 Requesting EWR's (Continued)

C Validating EWR's

Review the results of the request for accuracy and consistency with the loan or LDP application submitted by the producer.

Each request must have the same:

- aromatic indicator
- commodity
- commodity class
- crop year
- producer name
- type of payment request
- warehouse code.

--Note:** Beginning with the 2009 crop year, each file requested must have the same ACRE enrollment status.**--

The following table provides the steps to validate EWR's.

Step	Action	
1	On the Receipt Number column, click the applicable EWR number to display the detail EWR data. **Note:** EWR data is also available on the "printer friendly" page.	
	IF...	**THEN go to Step...**
	all entries are valid	***--**3.
	EWR's were downloaded in error	2.--*
2	CLICK "**Return Receipt**" to return EWR's to the Provider. **Notes:** The Return Receipt option shall be used when EWR's are downloaded in **error** and **must** be removed from the File Sequence Number. The returned EWR will be reset to its pre-download status. A Confirm Return Receipt Screen will be displayed with selected EWR's to be returned.	
* * *	* * *	
3	CLICK "**Submit"**. FSA's EWR web-based system will: • remove EWR's with errors from the file, if applicable • process and complete the file for transfer to APSS according to paragraph 179.	

179 Sending EWR's to APSS

A General Information

The requested EWR's shall be identified by the File Sequence Number and can be transferred to APSS to process the:

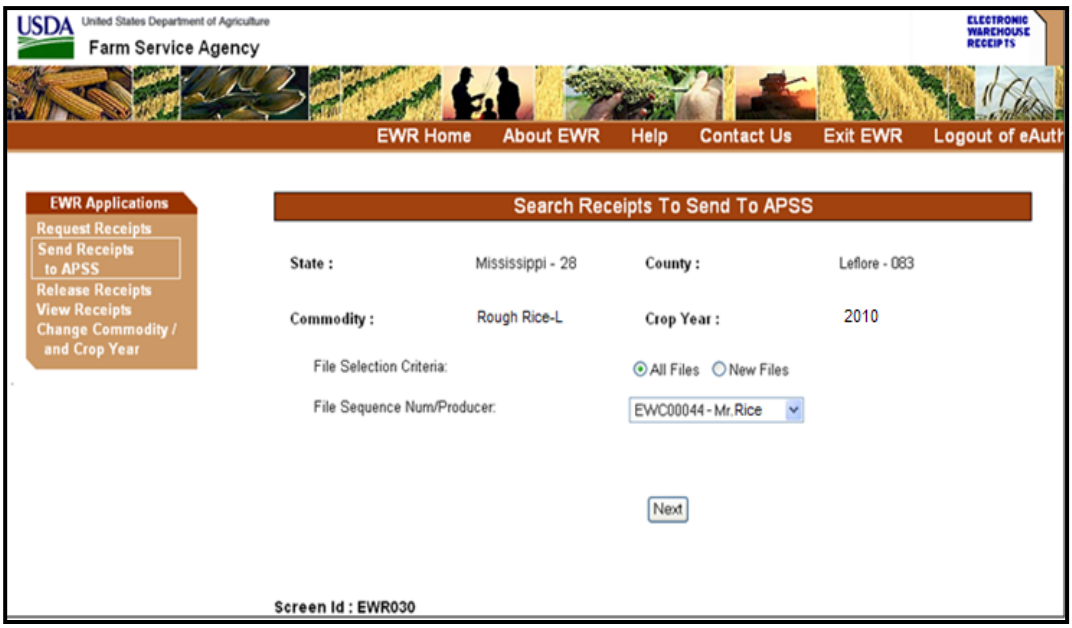
- *--loan request of the producer
- re-entry of a corrected loan.

Note: Files that have been transferred to APSS **must** be used to process loans on the--* **same day** or the files will have to be re-sent to APSS to be available for processing in APSS.

--Do not transfer files associated with the LDP request to APSS. See subparagraph 180 B for additional instructions on processing LDP requests using EWR's.--

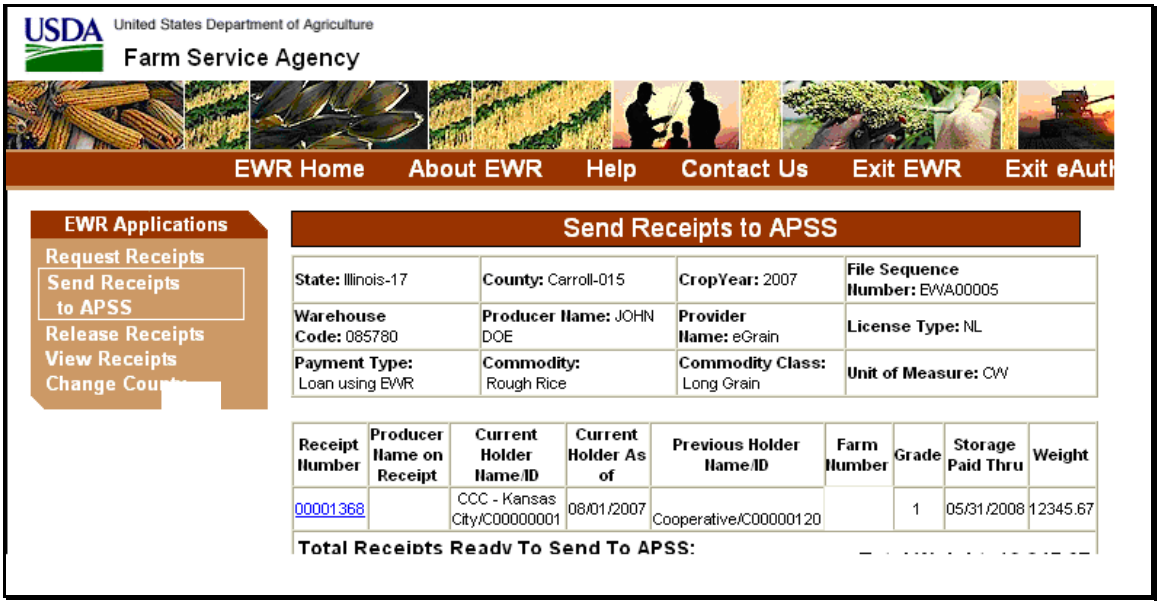
B Searching for EWR's and Sending EWR's to APSS

Files that have been requested according to paragraph 178 are ready for transfer to APSS. The following table provides steps for search for EWR's and sending EWR's to APSS.
*--

Step	Action
1	CLICK "**Send Receipts to APSS**" on the left side of the navigation menu to transfer completed EWR's to APSS. The Search Receipts to Send to APSS Screen will be displayed, select the appropriate crop year from the drop-down menu, and go to Step 2. *--  --*

179 Sending EWR's to APSS (Continued)

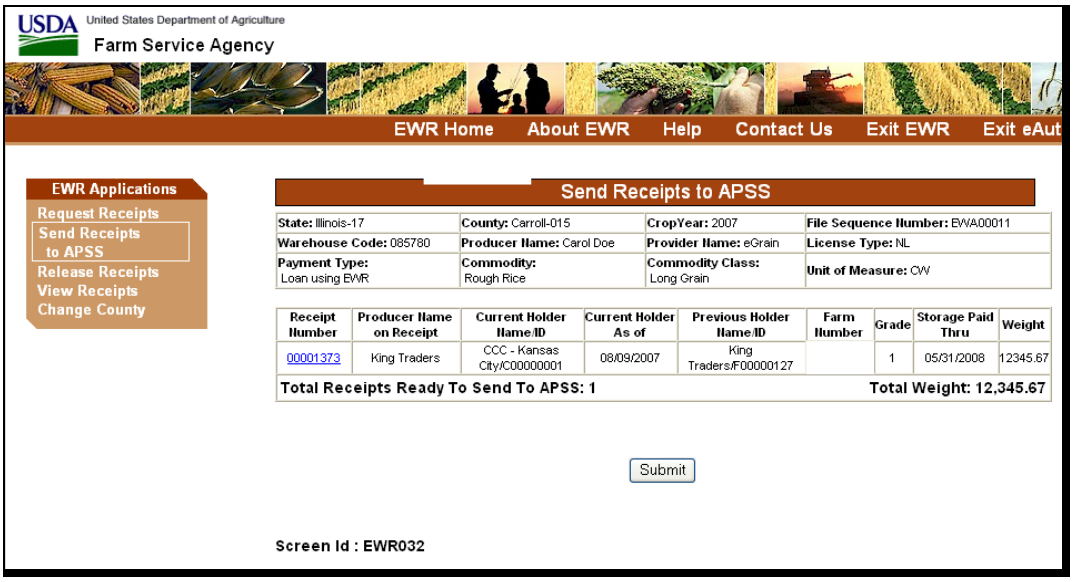
B Searching for EWR's and Sending EWR's to APSS (Continued)

Step	Action
2	For File Selection Criteria, CLICK "radio button" indicating the appropriate EWR ***--**files as follows: • New Files; lists the requested EWR File Sequence Numbers of EWR's that have **not** been previously transferred to APSS • All Files; lists the requested EWR File Sequence Numbers of all EWR's that**--*** are included in the new files as well as files previously transferred to APSS.
3	For Select File Sequence Num/Producer, select from the drop-down menu.
4	CLICK **"Next"**, the Send Receipts to APSS Screen will be displayed. 
5	Under the Receipt Number column, click the specific EWR number to display the detail data. **Note:** A "printer friendly" page is also available.

*--179 Sending EWR's to APSS (Continued)

B Searching for EWR's and Sending EWR's to APSS (Continued)

Step	Action
6	CLICK **"Submit"**, to transfer EWR's in the file to APSS. The Send Receipts to APSS Results Screen will be displayed with confirmation that EWR's have been sent to APSS and the option to access and print a "printer friendly" list. This is an example of the Send Receipts to APSS Results Screen.
7	CLICK "printer friendly" page, print the report, and file the report in the loan folder.



--*

*--180 Processing Rice EWR's in APSS

A Warehouse-Stored Loans Using EWR's

EWR's that have been transferred to APSS are ready to be used to process warehouse-stored loan applications. APSS has been enhanced to add the ability to use EWR's to process warehouse-stored loans. The following table provides steps for loan making.

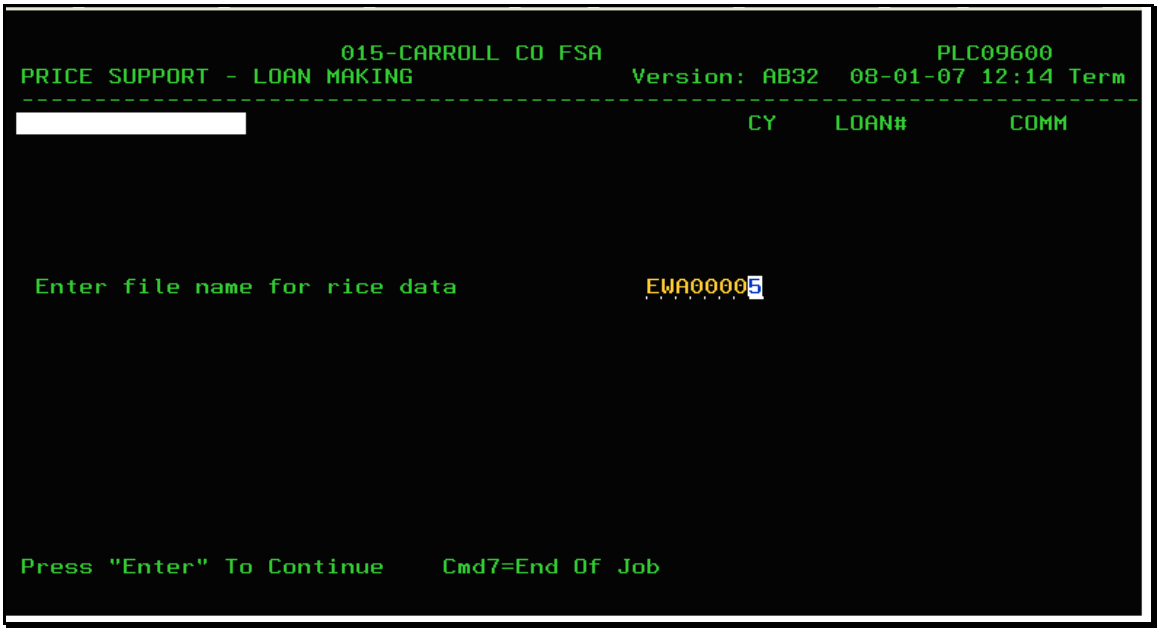
Step	Action
1	On System 36/AS400, APSS, Price Support Main Menu, PCA005, ENTER "**2**", "Perform Loan Making Functions", and PRESS "Enter".
2	Perform the normal loan and producer verification routines.
3	From the Price Support - Loan Making Menu, PLA000, ENTER "**10**", "Warehouse Rice Loans Using Preprocessed Data", and PRESS "Enter". This is an example of Screen PLA000.

```
COMMAND                              PLA000                                YH
PRICE SUPPORT - LOAN MAKING MENU
-------------------------------------------------------------------------------


                      1.  Farm Stored Regular Certified
                      2.  Farm Stored Regular Measured
                    * 3.  Farm Stored Reserve
                      4.  Warehouse Stored Regular
                    * 5.  Warehouse Stored Reserve
                      6.  Distress Certified
                      7.  Distress Measured
                      8.  Form A Cotton Loans Using Preprocessed Bale Data
                      9.  Warehouse Peanut Loans Using Preprocessed Data
                     10.  Warehouse Rice Loans Using Preprocessed Data


Enter the number of your selection and
press the "Enter" key.

Cmd3=Previous Menu
 _
```

--*

180 Processing Rice EWR's in APSS (Continued)

A Warehouse-Stored Loans Using EWR's (Continued)

Step	Action
4	Screen **PLC09600** will be displayed. Enter the File Sequence Number of the rice EWR file that will be used to process the loan. This is an example of Screen **PLC09600**. 
5	PRESS "**Enter**". The system will retrieve and display the producer name associated with the transferred rice EWR file.
6	ENTER "**Y**" or "**N**" to the question, "**Is this the correct file?**" **Notes:** The producer name displayed after answering the question may not exactly match the SCIMS name and address record. APSS will process the loan for the person/entity displayed on the upper left hand corner of the screen and not the name shown on the completed EWR file.
7	Continue with the warehouse-stored loan making process according to 12-PS, Part 4. Verify the pre-filled information on the screen when completing the loan-making process.

*--180 Processing Rice EWR's in APSS (Continued)

A Warehouse-Stored Loans Using EWR's (Continued)

APSS does not allow pre-filled data to be edited. This table provides guidance.

IF EWR errors are detected and the loan involves...	THEN...
1 EWR	• discontinue the loan-making process • access the web-based FSA EWR System • return the EWR with error to the Provider according to paragraph 181 using reason code "5-Receipt Data Error".
multiple EWR's	• delete EWR's with errors from the loan being processed • complete the loan-making process with EWR's that passed validation • access the web-based EWR system • return the deleted EWR's with errors to the Provider according to paragraph 181 using reason code "5-Receipt Data Error".

--*

180 Processing Rice EWR's in APSS (Continued)

B LDP Processing Using EWR's

*--All rice LDP requests using EWR's must be processed using the eLDP system. Until the capability to automatically transfer rice EWR's to the eLDP system, County Office shall do the following:

- print the EWR's with Payment Type, "LDP Using EWR"
- enter the warehouse receipt information in eLDP manually
- attach the EWR printout to LDP request documents
- file eLDP documents in the LDP folder.--*

* * *

181 Releasing EWR's

A General Information

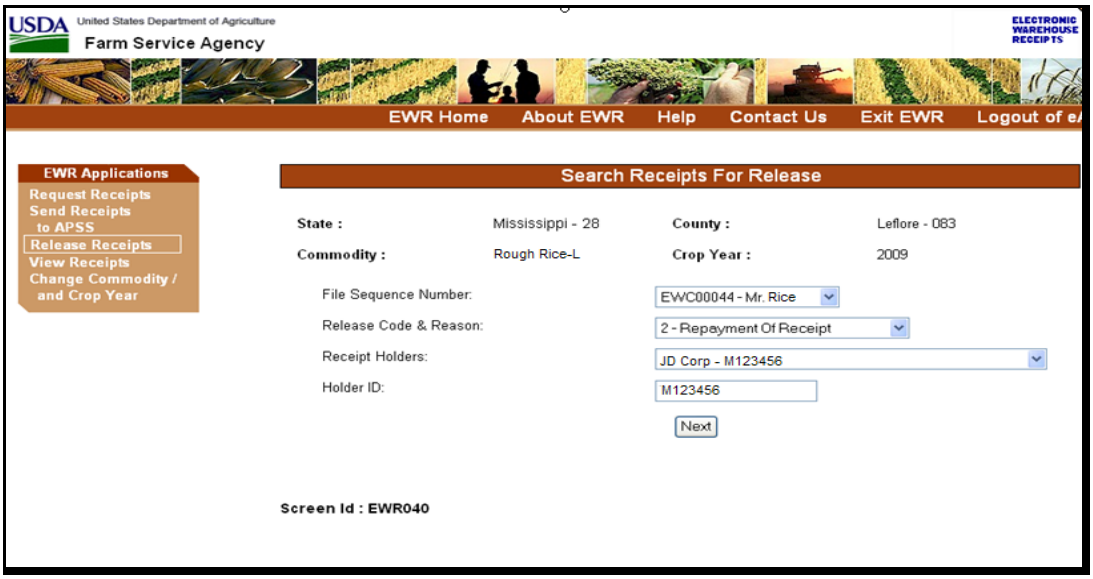
EWR's that have been downloaded by County Offices may be released for the following reasons.

Release Code/Reason	Condition	Action/Result
2 – Repayment of Receipts	Receipt under loan is being redeemed.	***--**Select the new Holder ID and Holder Name Information from the drop-down box or enter a new Holder ID. This should match the Holder ID provided by the**--*** person or entity redeeming the loan. Receipt will be released to the new receipt holder through the Provider system. **Note:** If the new holder is invalid, the receipt will be returned to the County Office with an error message.
4 – Reconcentration/Split	Receipt: • has been approved for reconcentration • needs to be split on request of the producer or FSA.	Receipt will be returned to the shipping warehouse through the Provider system. **Note:** See paragraph 183 for additional instructions on reconcentration using EWR's.
5 – Receipt Data Error	There is an error in the receipt data.	Receipt will be automatically returned to the previous holder through the Provider system. **Note:** Needs correction by the receipt issuer.
6 – Downloaded in Error	Receipt was downloaded by the County Office by mistake.	Receipt will be returned to the previous holder through the Provider system. **Note:** Receipt may be requested by any County Office.
9 – Forfeiture	Receipt under loan is forfeited.	Receipt will be released to KCCO and included in CCC inventory.

181 Releasing EWR's (Continued)

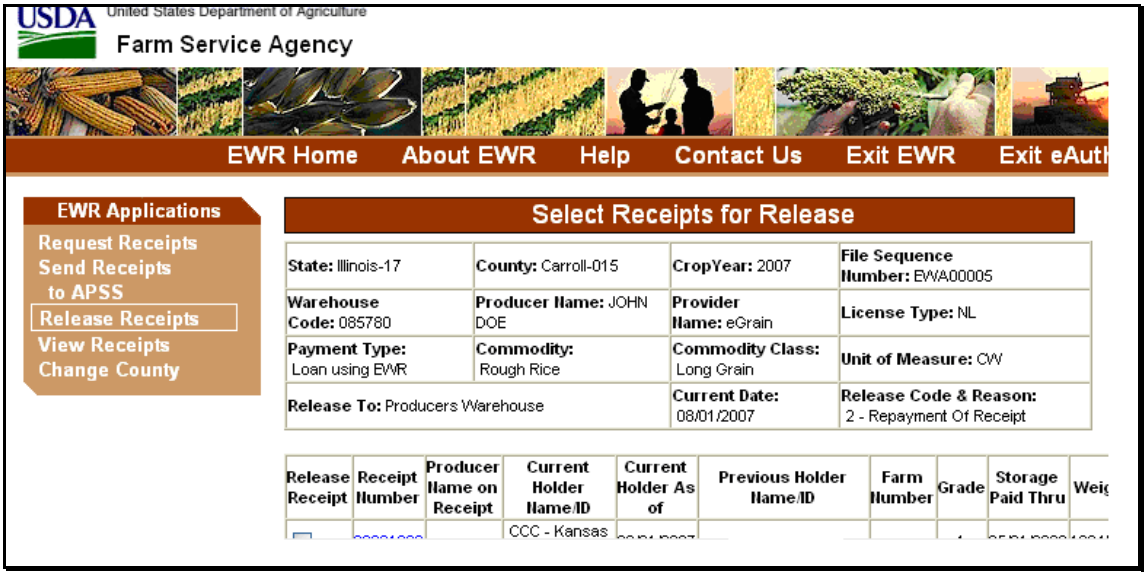
B Selecting EWR's to Release

This table provides steps for releasing EWR's.

Step	Action
1	CLICK **"Release Receipts"** on the left side of the navigational menu to access the release EWR's functions. The following is an example of the Search Receipts for the Release Screen that will be displayed. *--  --* The file sequence Number drop-down list will display the File Sequence Number and the producer name of all the files that have been completely processed.

181 Releasing EWR's (Continued)

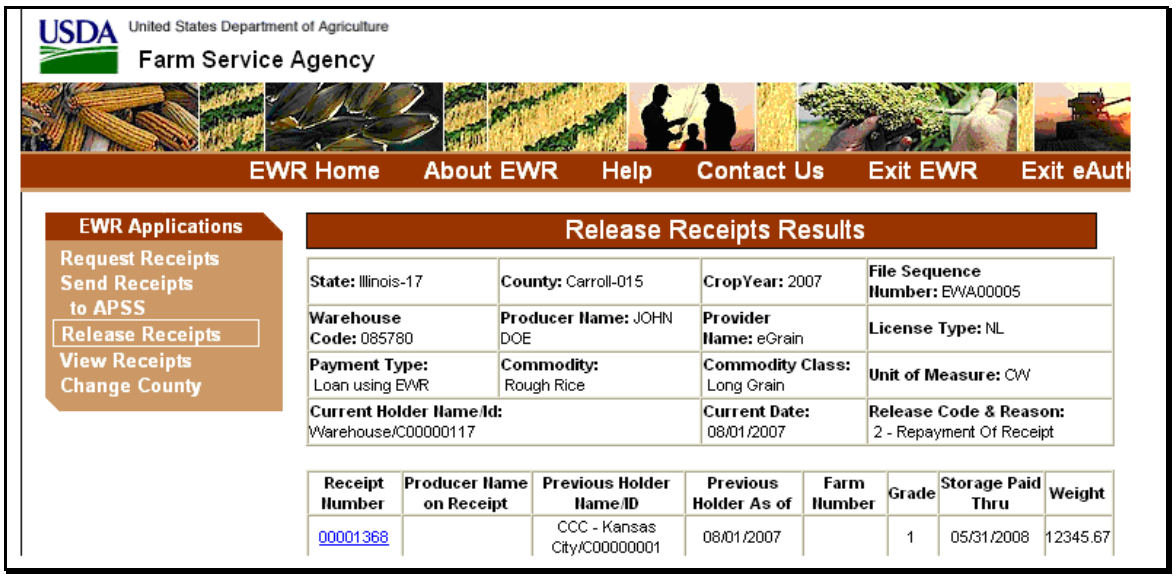
B Selecting EWR's to Release (Continued)

Step	Action
2	The **Release Code & Reason** drop-down list will display the different release reasons as described in subparagraph A. If the Release Code & Reason selected is "**2-Repayment of Receipts**", the user shall ENTER the holder ID and name provided by the person or entity redeeming the loan. * * * **Note:** The person or entity authorized to redeem the loan shall be responsible for providing the new Holder information to the County Office.
3	CLICK "**Next**". The Select Receipts for Release Screen will be displayed. 
4	Verify the **"Release To"** and the **"Release Code & Reason"** displayed on the upper portion of the screen.
5	The Total Receipts Ready for Release will be displayed. CLICK the box corresponding to EWR number to be released in the Release Receipt column.
6	CLICK "**Next Page"** to view additional EWR's, if applicable.
7	CLICK "**Continue"** to go to the next screen. EWR's that have been selected for release will be displayed.
8	Confirm your chosen EWR and CLICK **"Cancel"** to undo the selection and re-display all EWR's ready for release.

181 Releasing EWR's (Continued)

B Selecting EWR's to Release (Continued)

Step	Action
9	CLICK **"Submit"** to complete the release process. The "**Release Receipt Results"** will be displayed. This is an example a Release Receipt Results Screen.
10	CLICK "**printer friendly**" page to print the data and file this report in the loan/LDP folder.



182 Viewing EWR's

A General Information

EWR system provides the user the ability to inquire on EWR's using the following options:

- view EWR's
- view reports.

--Note:** The View Reports option is available to PSD and State Office users only.**--

B "View Receipts" Option

"View Receipts" option:

- provides users the ability to view receipt by:
  - warehouse
  - file sequence number
- allows users to view and print EWR details as they appear in the:
  - EWR system
  - Provider's system.

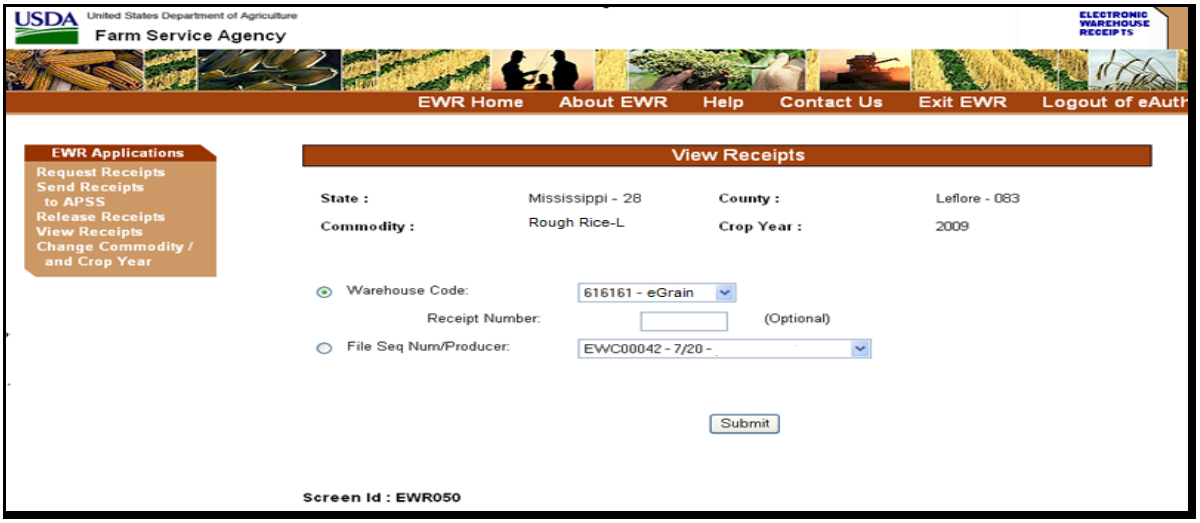
182 Viewing EWR's

B "View Receipts" Option (Continued)

Select a specific EWR from the View Receipts Screen to display or print the Receipt Detail Report.

The following is an example of the View Receipts Screen.

*--



--*

EWR's in:

- **FSA's** system will include EWR's that have been requested by County Offices for price support purposes

- **Provider's** system will include **all** EWR's issued by warehouses; some EWR's may **not** have been downloaded by County Offices.

*--183 Reconcentration of Warehouse-Stored Loans Using EWR's

A General Information

8-LP, Part 8, Section 3 provides guidelines on reconcentrating loan collateral. Currently, APSS does not have the ability to process a warehouse-to-warehouse transfer using EWR automatically. Warehouses electing to issue EWR's on the commodity being reconcentrated shall complete the reconcentration process according to this paragraph.

B Releasing EWR's

Upon approval of CCC-699, County Offices shall:

- print the **original** EWR using the rice EWR web-based system and attach the report to the original CCC-699
- release the **original** EWR using the rice EWR web-based system, selecting Release Code 4 - Reconcentration/Split
- notify the warehouse that EWR has been released for reconcentration.

C Distributing CCC-699

County Offices shall:

- keep original CCC-699 in County Office security file
- send warehouse operator's copy to the warehouse
- send producer's copy to producer or CMA
- file a copy of EWR in the producer's loan folder and file folder in suspense file
- follow up to ensure that:
  - the commodity is reconcentrated
  - new EWR's are received by County Offices within 30 calendar days from the date of approval
  - County Offices receive replacement EWR numbers and warehouse information from receiving warehouses.--*

*--183 Reconcentration of Warehouse-Stored Loans Using EWR's

D Processing Replacement EWR's

Upon notification by the warehouse that the replacement EWR is ready for retrieval, County Offices shall use FSA's EWR web-based system for rice to:

- request the replacement EWR according to paragraph 178
- print each replacement EWR that has been downloaded.

County Offices shall:

- review each replacement EWR according to 8-LP, subparagraph 830 A
- contact the issuing warehouse if there are any questions about the replacement EWR.
- transfer the downloaded replacement EWR to APSS according to paragraph 179.

E Processing Transfers Using EWR's in APSS

County Offices shall complete the transfer process according to 8-LP, subparagraph 830 B by entering the replacement EWR data manually on the applicable screens in APSS according to 12-PS, Part 5.

F Releasing Replacement EWR's

Process repayments of replacement EWR's in APSS in the normal manner. County Offices shall release replacement EWR's that have been repaid according to paragraph 181 using Release Code 2 - Repayment of Receipts.--*

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		2
CCC-184	CCC Check		2, 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	151-155
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		2, 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 Redelegations 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		105, 107, 108
CCC-697	Request to Lock in a Market Loan Repayment Rate		2, 90, 91, 105
CCC-699	Reconcentration Agreement and Trust Receipt		183
CCC-700	Loan Deficiency Payment Statement		159
CCC-700A	Loan Deficiency Payment Statement Continuation (Continuation of CCC-700)		159
CCC-770 LDP/eLDP	Loan Deficiency Payment (LDP) and eLDP Program Review Checklist		2
CCC-770 MAL	Marketing Assistance Loan (MAL) Processing Checklist		2
CCC-1099-G	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		2, 56
UCC-1F	Effective Financing Statement		56

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
ACRE	Average Crop Revenue Election	57, 58, 151, 176
CFS	central filing system	58, 175, 176, 178
CMA	Cooperative Marketing Association	Text
cwt.	hundredweight	68
EWR	electronic warehouse receipt	35, 58, Part 6
MAL	marketing assistance loan	151, 174
SCIMS	Service Center Information Management System	178, 180
UGRSA	Uniform Grain and Rice Storage Agreement	35, 57, 58, 125, 126, 142

Redelegations of Authority

None

Definitions of Terms Used in This Handbook

Adjusted World Price (AWP)

AWP is the world price for whole kernels and broken rice for the applicable class of rice, adjusted for the national average milling yield.

Aromatic Rice

Aromatic rice is rice that emits a unique aroma when cooked and is commonly referred to as jasmine-type or basmati-type rice.

Notes: FSA field personnel will not be required to make a determination whether rice is aromatic when performing a measurement service or spot check.

Almost all aromatic rice is grown under contract. The variety contracted may be 1 of, but not limited to, Cal A301, Della, Delmont, Jasmine 85, and Texmati.

AWP Repayment Rate

The AWP repayment rate is the difference between the national average loan rate and AWP, subtracted from the individual producer's loan rate.

The AWP repayment rate is the repayment rate at which the producer repays the loan under the marketing loan or marketing assistance loan repayment provisions.

*--Central Filing System (CFS)

CFS is an electronic system operated and maintained by a provider, as a disinterested third party authorized by DACO, where information relating to warehouse receipts, USWA documents, and other electronic documents are recorded and maintained in a confidential and secure fashion independent of any outside influence or bias in action or appearance.--*

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 on a farm
- 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.

*--Electronic Warehouse Receipt (EWR)

EWR's are receipts authorized by DACO to be issued or transmitted under the U. S. Warehouse Act as electronic documents.--*

Definitions of Terms Used in This Handbook (Continued)

***--Holder**

A holder is a person that has possession in fact or by operation of law, of a warehouse receipt, USWA electronic document, or any electronic document.**--***

Loan Deficiency Payment (LDP)

LDP's are payments made to producers who, although eligible to obtain a CCC marketing assistance loan, agree to forgo the loan in return for a payment on the rice.

The amount of LDP is the difference between the loan rate based on the national average milling yield and AWP, times the quantity.

Low Quality Rice

Low quality rice is rice that grades 6 or Sample Grade according to Exhibit 5 and the United States Standards for Rice.

Marketing Assistance Loans

Marketing assistance loans are loans authorized by the Agricultural Market Transition Act program included in the Federal Agriculture Improvement and Reform Act of 1996.

National Average Loan Rate

The national average loan rate is the loan rate for whole kernels and broken rice for the applicable class of rice, adjusted for the national average milling yield.

***--Provider**

A provider is a person authorized by DACO, as a disinterested third party, that maintains 1 or more confidential and secure electronic systems independent of any outside influence or bias in action or appearance.**--***

World Market Index

The world market index is a number that APSS compares to the whole kernel loan rate to determine the LDP rate or the market loan gain rate.

A world market index will be posted weekly for each class of rice on either of the following:

- **www.fsa.usda.gov/dafp/psd**
- "Daily Market Rates" downloaded from KCCO.

The whole kernel loan rate minus the world market index is equal to the LDP rate or the market loan gain rate.

Menu and Screen Index

Menu or Screen	Title	Principal Reference
	Electronic Warehouse Receipts Program	177
	EWR Release Receipts Results	181
	EWR Request Receipts	178
	EWR Request Receipts Results	178
	EWR Search Receipts For Release	181
	EWR Search Receipts to Send to APSS	179
	EWR Select Receipts For Release	181
	EWR Send Receipts to APSS	179
	EWR State and County	177
	EWR View Receipts	182
	USDA eAuthentication Login	177
PCA005	Price Support - Main Menu	180
PGA000	Price Support - Loan Deficiency Payment Making Menu	180
PGA09600	Price Support - Loan Deficiency Payments	180
PLA000	Price Support - Loan Making Menu	180
PLC09600	Price Support - Loan Making	180

Rice Requirements

A Quality Factors

The following table gives the quality factor standards for rice pledged for warehouse-stored loans.

Quality Factor	Requirement	Low Quality Rice
Grade	Must grade U.S. No. 5 or better (Loan rate based on U.S. No. 2)	U.S. No. 6 or U.S. Sample Grade
Moisture	Cannot exceed 14.0 Percent **Exception:** The moisture percentage on the warehouse receipt may exceed 14.0 percent if the warehouse receipt is accompanied by a supplemental certificate that shows the moisture level and quantity after drying or blending.	Over 14.0 Percent If rice is not dried to acceptable moisture percent, adjust the quantity according to subparagraph C.

B Special Grade Designations

Rice is eligible for loan at a reduced loan rate if any of the following special grade designations are present:

- parboiled
- smutty
- infested
- glutinous.

Rice Requirements (Continued)

C Adjustments for Farm-Stored Rice

The loan quantity for farm-stored rice may be reduced:

- at the producer's request for any reason
- by COC to reflect a quantity at 14.0 percent moisture, according to 8-LP, Exhibit 4, if both of the following apply:
  - the moisture is determined to be more than 14.0 percent
  - COC determines the producer has the facilities to dry the rice.

D Aromatic Rice

See paragraphs 57 and 125 for special storage and delivery requirements for aromatic rice.

Loan Rates and Discounts

A Loan Values for Crop Year 2009 Whole Kernels and Broken Rice

The following table provides the loan values for crop year **2009** whole kernels and broken rice.

Rough Rice Class	Whole Kernels *--(Dollars ($) Per Cwt.)--*	Broken Rice *--(Dollars ($) Per Cwt.)--*
Long Grain	9.94	6.84
Medium Grain/Short Grain	9.72	6.84

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 **2009** crop warehouse-stored rice with a 56/68 milling yield is as follows:

- long grain whole kernel yield (.56) x loan value ($9.94) = $5.57
- broken rice yield (.12) x loan value ($6.84) = $0.82
- loan rate per 100 pounds is $5.57 + $0.82 = $6.39
- 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 2009

The following table provides the loan rates for crop year **2009** farm-stored rice:

- per cwt.
- by class.

2009 Rice Farm-Stored Loan Rates by Class, Rough Basis		
	Long Grain	**Medium Grain/Short Grain**
States	***--Dollars ($) per cwt.--***	
Arkansas	$6.48	$6.32
California	6.45	6.54
Louisiana	6.48	6.36
Mississippi	6.57	6.50
Missouri	6.43	6.50
Texas	6.70	6.50
All other States	6.50	6.50

E Crop Year 2009 Rice Grade Discounts

The following table provides the grade discounts for crop year **2009** rice.

Grade	Discount Per Cwt.
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 2009 Smut Discount

The following table provides the smut discount for crop year **2009** rice.

Smut Damage Percent	Discount Per Cwt.
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 2010 Whole Kernels and Broken Rice

The following table provides the loan values for crop year **2010** whole kernels and broken rice.

Rough Rice Class	Whole Kernels (Dollars ($) Per Cwt.)	Broken Rice (Dollars ($) Per Cwt.)
Long Grain	9.91	7.01
Medium Grain/Short Grain	9.65	7.01

--*

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 **2010** warehouse-stored rice with a 56/68 milling yield is as follows:

- long grain whole kernel yield (.56) x loan value ($9.91) = $5.55
- broken rice yield (.12) x loan value ($7.01) = $0.84
- loan rate per 100 pounds is $5.55 + $0.84 = $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 2010**

The following table provides the loan rates for crop year **2010** farm-stored rice.**--***

- per cwt.
- by class.

***--**

2010 Rice Farm-Stored Loan Rates by Class, Rough Basis		
	Long Grain	**Medium Grain/Short Grain**
States	**Dollars ($) Per Cwt.**	
Arkansas	$6.49	$6.28
California	6.46	6.55
Louisiana	6.45	6.43
Mississippi	6.56	6.50
Missouri	6.43	6.50
Texas	6.69	6.50
All other States	6.50	6.50

--*

***--K Crop Year 2010 Rice Grade Discounts**

The following table provides the grade discounts for crop year **2010** rice.**--***

Grade	Discount Per Cwt.
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 2010 Smut Discount**

The following table provides the smut discount for crop year **2010** rice.**--***

Smut Damage Percent	Discount Per Cwt.
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 $6.49 per cwt. x .20 = $1.30 per cwt.**--