

FRC Special Variety Programs

2009 FRC PREMIUM MEDIUM GRAIN PRODUCTION PROGRAM

I. Premium Medium Grain Supply Objectives

- A. Appropriate Quantity
- B. High Quality

II. Premium Returns for Members

- A. Premiums—Varietal premium paid to all primary pool deliveries which meet FRC quality requirements.
- B. Quality Requirements
 - 1. U.S. #1 grade
 - 2. Special FRC specifications (FRC grade+)
 - 3. Identity preserved
 - 4. Approved variety—**M-401 only**
 - 5. **Deliveries not meeting quality specifications may be handled as regular Calrose.**

III. Financial Considerations

- A. Advances
 - 1. Same as eligible regular Calrose production.
 - 2. \$1.50 of the premium paid at appraisal.
- B. Settlement Values
 - 1. Primary Pool
 - a) Base = Calrose return for milling quality.
 - b) Guaranteed premium = 6.00¢ per lb head rice appraisal for deliveries that meet FRC quality requirements.
Example: 60 lb head rice appraisal x 6.00¢ per lb = \$3.60 cwt premium.
 - 2. Secondary Pool— Calrose return appropriate for milling quality.
- C. Noncompliance Rice
 - 1. Noncompliance rice may receive a lower advance and/or return than compliance rice.

IV. FRC Allocation Procedure

- A. FRC 2008 Crop Premium Medium Grain (M401) Producers
 - 1. 2009 crop primary pool base initially established at 100% of 2008 Premium Medium Grain (M401) **production**. All 2008 premium medium grain production was allocated to the primary pool.
 - 2. Requests exceeding this base must be obtained from the draw pool.

3. Both FRC tenant and landlord (each member) must request allocation.
- B. FRC Members Without History—may apply to deliver any quantity of Premium Medium Grain (M401) not to exceed 100% of total 2008 crop FRC delivery of all varieties.
 1. Remainder not assigned to historical growers is allocated.
 2. Blind draw pool.
 - C. Requests in Excess of Primary Pool
 1. Assigned to secondary pool.
 2. Drawing order maintained.
 3. If primary pool subsequently expanded, reassigned to primary pool, in order of draw.
 - D. Production History
 1. To maintain production history, member/entity or transferee must participate in the premium medium grain program each year.
 2. The member/entity must deliver in its own name at least one of two consecutive years.
 3. May be transferred to other FRC member/entity upon written application.

V. Enrollment Procedure

- A. *Sign-up from March 10, 2009 through March 20, 2009.*
- B. Notification of allocations will be mailed to all applicants on March 20, 2009
- C. **Separate enrollment must be made for landlord shares.**

VI. Warehousing Requirements

- A. Warehouse must be *preapproved* by FRC.
- B. Must be stored on an identity preserved basis.

VII. General

- A. Program expected to be ongoing.
- B. Annual enrollment necessary for program in subsequent year.
- C. **2009 crop deliveries may be utilized for 2010 crop allocation base.**
- D. Program may be modified or discontinued in the future.