

2011 FRC SHORT GRAIN PRODUCTION PROGRAM

I. Short Grain Supply Objectives

- A. Appropriate Quantity
 - 1. Markets limited to select customers.
 - 2. Alternate uses for short grain are very limited.
- B. High Quality

II. Return and Quality Provisions

- A. Premiums—None
- B. Quality Requirements
 - 1. U.S. #1 grade.
 - 2. Identity preserved by class.
 - 3. S-102 variety
 - 4. *Deliveries not meeting quality specifications may receive a return less than the basic Calrose return.*

III. Financial Considerations

- A. Advances
 - 1. Same as Calrose
- B. Settlement Values
 - 1. Primary Pool
 - a) Base = Calrose for milling quality
 - 2. Secondary Pool — **Due to limited marketing opportunities, short grain deliveries not enrolled in the FRC Short Grain primary pool may receive a return substantially less than the basic Short Grain return.**
- C. Ineligible rice may receive a lower advance and/or return than eligible rice.

IV. FRC Allocation Procedure

- A. FRC 2009 and 2010 Crop S-102 Producers
 - 1. 2011 crop primary pool base initially established at 100% of **2009 S-102 initial allocation. 2009 crop 1-Year S-102 contracts are not subject to the initial allocation.**
 - 2. If FRC S-102 demand requirements exceed the quantity allocated to the initial allocation (listed above), then a draw among the 2009 crop 1-year S-102 allocations will be utilized.
 - 3. Requests exceeding the top two categories must be obtained from the draw pool.
 - 4. Both FRC tenant and landlord (each member) must request allocation.
- B. FRC Members Without History—may apply to deliver any quantity of S-102 not to exceed 100% of total 2010 crop FRC delivery of all varieties.
 - 1. Remainder not assigned to historical growers is allocated.
 - 2. Blind draw pool.

- C. Production history
 - 1. To maintain production history, member/entity or transferee must participate in the program each year.
 - 2. The member/entity must deliver in its own name at least one out of each two consecutive years.
 - 3. May be transferred to other FRC member/entity upon written application.

V. Enrollment Procedure

- A. *Sign-up from February 28, 2011 through March 18, 2011.*
- B. Notification of allocations will be mailed to all applicants by March 23, 2011
- C. **Separate enrollment must be made for landlord shares.**

VI. Warehousing Requirements

- A. Warehouse must be *pre-approved* 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. **2011 crop deliveries may be utilized for 2012 crop allocation base.**
- D. Program may be modified or discontinued in the future.