PRODUCERS rice mill, inc.

2026 RICE MARKETING PROGRAMS

SIGN-UP POLICY

All 2026 crop rice delivered to PRODUCERS must be from fields planted with rice seed testing negative for the presence of genetically engineered (GE) material at a .01% sensitivity level with a 95% confidence interval. As part of the 2026 industry seed plan, members must be able to provide PRODUCERS upon request with the following three items: (1) Sales invoice from seed dealer showing lot number and quantity of negative seed purchased; (2) Copy of lab report showing seed lot planted tested negative for GE materials; and (3) FSA form showing 2026 certified rice acres.

The 2026 crop sign-ups are available to all members or farms that met their 2025 rice delivery commitment with **PRODUCERS RICE MILL, INC**. The number of rice acres a qualified member or farm can sign up on the 2026 rice crop is not limited. **PRODUCERS'** members who did not grow any rice in 2025 or in recent years will be allowed to participate in **PRODUCERS** 2026 marketing programs. These members must have delivered rice to **PRODUCERS** the last time they grew rice and provide FSA-578 forms for documentation.

<u>New Member Policy for 2026-27:</u> Producers will continue its limited membership policy that was in place for the 2025 rice crop. In short, any new members that are tenant farmers may sign up any rice in 2026 farmed on land owned by landlords that are unlimited members of Producers. Any new members that are landlords may sign up in 2026 only if the land is farmed by a tenant famer that is an unlimited member of Producers. To review the complete policy, please contact Members Records.

Failure to deliver: If a member fails to deliver the 2026 crop rice as originally signed up, that member will be ineligible to participate in PRODUCERS' marketing programs beginning in 2027 and thereafter.

<u>GENERAL PROVISIONS FOR BOTH SEASONAL & PRICING POOLS</u>

<u>GREEN RICE:</u> All green rice from eligible farms must remain eligible for CCC loan at the time of delivery to **PRODUCERS**. Thus, all members who deliver green rice to **PRODUCERS** cannot have taken loan deficiency payment (LDP) prior to delivery. **PRODUCERS** will handle all loan and marketing loan transactions. All marketing loan benefits will be credited to either the eligible seasonal pool or added to the price for those in the pricing pool.

<u>DRY RICE:</u> Freight cost, including fuel surcharge, will be paid by **PRODUCERS** <u>UP TO $1.30 PER CWT.</u> on all dry rice committed by June 30, 2026. Any excess freight cost, including fuel surcharges, totaling more than $1.30 per cwt. will be charged back to the account. **Dry rice received during harvest will depend on the availability of trucks and adequate storage space.** Rice will be picked up on a first requested basis. **At PRODUCERS discretion, all dry rice committed may be shipped as needed to a facility other than the location designated on the member's 2026 Rice Delivery Agreement.** Dry rice not delivered to a **PRODUCERS**' facility by December 31, 2026, may accrue daily storage based on a monthly rate of 3¢ per bushel beginning January 1, 2027. To be eligible for the on-farm storage, members must be willing to ship the on-farm rice at **PRODUCERS'** request. Seed rice and seed remnants are not eligible for the storage. **The moisture on all dry rice received must be 13% or lower.** If the moisture is between 13.1% and 13.5%, drying charges and shrinkage will be applied to the farmer's account. On rice received greater than 13.5% moisture, freight cost, drying charges, and shrinkage will be applied to the farmer's account. Upon a member's request, dry rice on the farm that is still eligible for CCC loan may be advanced at 90% of the measured bin weight once the green rice harvest is complete.

<u>GRADING:</u> The final grade for weed seeds, red rice and smut will be determined at the dryer or storage facility. **The final grade for kernel damage such as heat, stain, and peck damage, will be determined by our rough rice lab as part of the milling yield analysis.** USDA loan grade discounts will apply (Grades #1 & #2 – no discount; #3 - 13¢ per bu.; #4 - 27¢ per bu.; #5 - 45¢ per bu.; #6 - 90¢ per bu.; and sample grade - $2.48 per bu.).

<u>ELIGIBILITY FOR LOAN BENEFITS:</u> To be eligible for the marketing loan program you must report your rice acreage annually to the Farm Service Agency (FSA). Please make sure the ID number used on your **PRODUCERS** marketing agreement agrees with the number on your FSA-578 for the applicable farm. If there are any discrepancies with the FSA information or your farm is not certified, your rice at **PRODUCERS** is considered ineligible for government loan by FSA and will be placed in **PRODUCERS'** world price pool.

<u>NO GMO OR AROMATIC RICE</u>: **PRODUCERS** will not accept any genetically modified (GMO) or aromatic rice such as Jasmine, Basmati, or other varieties for the 2026-2027 marketing year.

ALL 2026 CROP DELIVERY AGREEMENTS THAT HAVE NOT DELIVERED OR MADE ARRANGEMENTS TO DELIVER BY FEBRUARY 28, 2027, MAY BE CONSIDERED NULL AND VOID BY PRODUCERS RICE MILL, INC.

THE BOARD OF DIRECTORS RESERVES THE RIGHT TO WITHDRAW OR MODIFY ANY OF THE 2026 RICE MARKETING PROGRAMS.

SEASONAL POOLS – LONG AND MEDIUM GRAIN

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REGULAR SEASONAL POOL: All rice eligible for the government marketing loan program and committed by **June 30, 2026**, will be marketed in the regular seasonal pool. Premium and value-added sales during 2026-2027 will be credited to this pool

WORLD PRICE POOL: All ineligible rice or rice the farmer has received the marketing loan benefits before delivery to **PRODUCERS**, will be marketed in the world price pool. Advances will be based on the USDA announced world market price on the day the rice is considered delivered. If the world market price is higher than loan on the day the rice is considered delivered, advances will be based on loan value.

ADVANCES: The first and succeeding advances on rice in the regular long and medium grain pools will be based on a percentage of USDA's Farm Service Agency (FSA) 2026 loan rates. The first and succeeding advances for rice in the world price pool will be based on a percentage of the lower of world market price or USDA's FSA 2026 loan rates. The 2026 USDA FSA loan rates are $13.21 per cwt. for long grain whole kernels, $11.79 per cwt for medium grain whole kernels and $6.25 per cwt for all broken kernels. The first advance percentage of loan rates will be set by the PRODUCERS' Board of Directors prior to harvest.

ACCOUNTING for the 2026-2027 seasonal pools will be on a patronage basis and all seasonal pool rice will be subject to **PRODUCERS'** annual capital deduction as determined by **PRODUCERS'** Board of Directors.

PRICING POOL – LONG GRAIN ONLY

PARTICIPATION: Members can market 100% of their long grain crop delivered to **PRODUCERS** or a designated number of bushels in the pricing pool. Rice will be applied to the designated bushels in the pricing pool on a first delivered basis. Members will be allowed to assign their pricing contracts by farm number.

POOLING BASIS: The pricing program will be handled on a separate patronage pool basis. All quoted prices include **PRODUCERS'** annual per unit retain (capital deduction) as determined by **PRODUCERS'** Board of Directors. A patronage refund at the end of the marketing year could be possible. Once priced or booked, the rice will be matched against a current milled rice sale or hedged on the rice futures board. Thus, any final settlement will be based on gains in basis and operating efficiencies and not on any market appreciation.

PRICING: All pricing is based off the Chicago Board of Trade (CBOT) rough rice futures. All quotations are based on a #2 grade, 55/70 milling yield, the standard quality of the CBOT contract. For rice whose milling yields are not the standard yields (55/70), milling yield premiums and discounts will be based on a whole kernel factor of $23.12 per cwt and broken kernel factor of $10.94 per cwt. The pricing pool will be open for all grades and milling yields. **PRODUCERS'** regular grade discounts will apply to grades below a #2.

Rice that is unpriced at the time of delivery will be advanced a percent of loan or world market price, depending on eligibility for loan. The advance rate will be set prior to harvest. Normal deductions such as drying charges and rice checkoff fees will be deducted from this advance.

Rice in the pricing pool must be priced by May 28, 2027. Any rice not priced by May 28, 2027, will be priced on that date.

BASIS: **PRODUCERS can fluctuate its basis at any time.**

FORWARD PRICING: Forward pricing before harvest or delivery is available. All forward bookings must be in increments of 4,444 bushels and contingent on a CBOT trade. Rice will be applied against outstanding contracts on a first delivered basis. Member agrees to pay **PRODUCERS** any damages resulting from default.

HEDGED-TO-ARRIVE OPTION: With the forward pricing provision, a member may initially price the futures and then set the basis at a later date. The basis will be set prior to delivery or by the first notice day of the futures contract, whichever occurs first. If the basis has not been set and the rice has not been delivered by the first notice day, the futures component may be rolled to the next futures month at a fee of 2 cents per cwt., per roll. The basis must be set and the rice delivered no later than May 28, 2027.

MARKETING LOAN: For rice delivered to **PRODUCERS** and still eligible for loan, any marketing loan benefits will be passed on to the member. **PRODUCERS** will handle all marketing loan transactions. Marketing loan will be established on the date the rice was priced. On forward contracts, the marketing loan will be established on the date the rice was considered delivered.

PRICE-LATER CHARGE: A price-later charge will be assessed beginning December 1, 2026, on all unpriced rice that has been delivered to one of **PRODUCERS'** facilities. The price-later charge will be 3 cents per bushel per month and will accrue at the beginning of each month. Rice forward contracted before delivery or before December 1 for January payment will not be assessed a price-later charge.

SEASONAL POOL OPTION: Members who sign up by June 30, 2026, can elect to move their unpriced rice in the pricing pool into a seasonal pool **on or before November 2, 2026. PRODUCERS reserves the right to place the rice into a second seasonal or world price pool if the market has dropped significantly.**

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR LOCAL ELEVATOR.

Boyle, Mississippi	870-674-2525	**STUTTGART OFFICE**	**870-673-4444**
Dewitt Elevator (downtown)	870-674-2597	Tyronza Elevator	870-674-2381
Dixie Dryer Elevator (Dewitt)	870-674-2596	Wilmot Elevator	870-674-2383
Eudora Elevator	870-674-2388	Wilson Elevator	870-674-2387
Fair Oaks Elevator	870-674-2300	Wynne Elevator	870-674-2291
Greenville Mill Office	662-334-6266	**Dry Rice Farmers call:**	
Pine Bluff Elevator	870-674-2335	**Heath Williams**	**870-674-2475**