

SOUTHWEST SCALE OF GRAIN DISCOUNTS
GRAIN SORGHUM
Effective Date – March 1, 1997

Trading Basis No. 2 Grain Sorghum per Hundredweight

Discounts

Moisture -----	Moisture deductions are by weight equal to 1.5 times percentage moisture above 14.0%. Deductions for moisture shall be taken from the net weight before other discounts are applied. <u>Buyer's option to reject above 16.0% moisture.</u>	
Test Weight -----	2 cents for each 1 lb. or fraction thereof from 54.9 lbs. to 53.0 lbs.; 4 cents for each 1 lb. or fraction thereof from 52.9 lbs. to 51.0 lbs. <u>Buyer's option to reject below 55.0 lbs. test weight.</u>	
Broken Kernel & Foreign Material -----	4 cents for each 1% or fraction thereof from 7.1% to 13.0%. <u>Buyer's option to reject above 7.0% B.K. & F.M.</u>	
Heat-Damage -----	1 cent for each 0.1% above 0.5%.	
Total Damage -----	2 cents for 1% or fraction thereof from 5.1% to 7.0%; 4 cents for 1% or fraction thereof from 7.1% to 15.0%. <u>Buyer's option to reject above 7.0% T.D.</u>	
Heating* -----	10 cents	Infested* ----- 10 cents
Musty* -----	10 cents	DLQ* ----- 10 cents
Sour* -----	10 cents	COFO* ----- 10 cents

*If grain is heating, musty, sour, infested, DLQ, COFO, or grades "sample grade", buyer has the option of applying discounts or returning grain to seller at seller's expense.

*All line items (heating, musty, sour, infested, DLQ or COFO) are only discounted if the item appears on the grade certificate.

If discounts exceed ranges in this scale – as defined by official U.S. Grain Standards – buyer has option, upon notifying seller, of negotiating additional discounts or returning grain at seller's expense.

Example

Purchase 50,000 lbs. of No. 2 grain sorghum at \$4.60/cwt with the Southwest Scale of Grain Discounts to apply.

<u>Factor</u>	<u>Sample Report</u>	<u>Adjustment</u>	<u>Discount</u>
Moisture -----	16.1%	over 2.1%	(See below)
Test Weight -----	54.3 lbs.	under 0.6 lbs.	2 cents
Broken Kernel & Foreign Material -----	8.5%	over 1.5%	8 cents
Heat Damage -----	0.6%	over 0.1%	1 cent
Total Damage -----	7.2%	over 2.2%	<u>8 cents</u>
		Total	<u>19 cents</u>

Calculations

Moisture Discount -----	2.1% x 1.5 = 3.15%
Moisture Deduction -----	50,000 lbs. x 3.15% = 1,575 lbs.
Pay Weight -----	50,000 lbs. – 1,575 lbs. = 48,425 lbs.
Pay Price -----	\$4.60 - \$0.19 = \$4.41
PAYMENT -----	48,425 lbs. x \$4.41/cwt. = \$2,135.54

SOUTHWEST SCALE OF CORN DISCOUNTS
CORN
Effective Date – March 1, 1997

Trading Basis No. 2 Corn per Hundredweight

Discounts

Moisture -----	Moisture deductions are by weight equal to 1.5 times percentage moisture above 15.5%. Deductions for moisture shall be taken from the net weight before other discounts are applied. <u>Buyer's option to reject above 17.0% moisture.</u>	
Test Weight -----	2 cents for each 1 lb. or fraction thereof from 53.9 lbs. to 53.0 lbs.; 4 cents for each 1 lb. or fraction thereof from 52.9 lbs. to 46.0 lbs. <u>Buyer's option to reject below 54.0 lbs. test weight.</u>	
Broken Kernel & Foreign Material -----	4 cents for each 1% or fraction thereof from 5.1% to 10.0%. <u>Buyer's option to reject above 7.0% B.K. & F.M.</u>	
Heat-Damage -----	1 cent for each 0.1% above 0.2%.	
Total Damage -----	2 cents for each 1% or fraction thereof from 5.1% to 7.0%; 4 cents for each 1% or fraction thereof from 7.1% to 10.0%; 6 cents for each 1% or fraction thereof from 10.1% to 20.0%. <u>Buyer's option to reject above 7.0% T.D.</u>	
Heating* -----	10 cents	Infested* ----- 10 cents
Musty* -----	10 cents	DLQ* ----- 10 cents
Sour* -----	10 cents	COFO* ----- 10 cents

*If grain is heating, musty, sour, infested, DLQ, COFO, or grades "sample grade", buyer has the option of applying discounts or returning grain to seller at seller's expense.

*All line items (heating, musty, sour, infested, DLQ or COFO) are only discounted if the item appears on the grade certificate.

If discounts exceed ranges in this scale – as defined by official U.S. Grain Standards – buyer has option, upon notifying seller, of negotiating additional discounts or returning grain at seller's expense.

Example

Purchase 61,500 lbs. of No. 2 corn at \$5.00/cwt with the Southwest Scale of Grain Discounts to apply.

<u>Factor</u>	<u>Sample Report</u>	<u>Adjustment</u>	<u>Discount</u>
Moisture -----	16.8%	over 1.3%	(See below)
Test Weight -----	54.0 lbs.	none	0 cents
Broken Kernel & Foreign Material -----	9.8%	over 4.7%	20 cents
Heat Damage -----	0.4%	over 0.2%	2 cents
Total Damage -----	7.2%	over 2.1%	<u>8 cents</u>
		Total	30 cents

Calculations

Moisture Discount -----	1.3% x 1.5 = 1.95%
Moisture Deduction -----	61,500 lbs. x 1.95% = 1,199 lbs.
Pay Weight -----	61,500 lbs. - 1,199 lbs. = 60,301 lbs.
Pay Price -----	\$5.00 - \$0.30 = \$4.70
PAYMENT -----	60,301 lbs. x \$4.70/cwt. = \$2,834.15

SOUTHWEST SCALE OF WHEAT DISCOUNTS
WHEAT
Effective Date – March 1, 1997

Trading Basis No. 2 Wheat per Hundredweight

Discounts

Dockage -----	Dockage deductions are by weight equal to percentage dockage. Deductions shall be taken from the net weight before other discounts are applied.
Moisture -----	Moisture deductions are by weight equal to 1.5 times percentage moisture above 13.5%. Deductions for moisture shall be taken from the net weight after dockage discounts and before other discounts are applied. <u>Buyer's option to reject above 14.0% moisture.</u>
Test Weight -----	2 cents for each 1 lb. or fraction thereof from 57.9 lbs. to 57.0 lbs.; 4 cents for each 1 lb. or fraction thereof from 56.9 lbs. to 56.0 lbs.; 8 cents for each 1 lb. or fraction thereof below 56.0 lbs. <u>Buyer's option to reject below 58.0 lbs. test weight.</u>
Total Defects -----	2 cents for each 1% or fraction thereof from 5.1% to 8.0%; 4 cents for each 1% or fraction thereof from 8.1% to 12.0%; 8 cents for each 1% or fraction thereof above 12.0%. <u>Buyer's option to reject above 7.0% T.D.</u>

Heating*-----	10 cents	Infested*-----	10 cents
Musty*-----	10 cents	DLQ*-----	10 cents
Sour*-----	10 cents	COFO*-----	10 cents

*If grain is heating, musty, sour, infested, DLQ, COFO, or grades "sample grade", buyer has the option of applying discounts or returning grain to seller at seller's expense.

*All line items (heating, musty, sour, infested, DLQ or COFO) are only discounted if the item appears on the grade certificate.

If discounts exceed ranges in the scale – as defined by official U.S. Grain Standards – buyer has option, upon notifying seller, of negotiating additional discounts or returning grain at seller's expense.

Example

Purchase 51,700 lbs. of No. 2 wheat at \$5.50/cwt with the Southwest Scale of Grain Discounts to apply.

<u>Factor</u>	<u>Sample Report</u>	<u>Adjustment</u>	<u>Discount</u>
Dockage -----	0.5%	over 0.5%	(See below)
Moisture -----	15.1%	over 1.6%	(See below)
Test Weight -----	54.2 lbs.	under 3.7 lbs.	22 cents
Total Defects -----	7.2%	over 2.1%	<u>6 cents</u>
			Total <u>28 cents</u>

Calculations

Dockage Discount-----	51,700 lbs. x 0.5% = 259 lbs.
Dockage deduction -----	51,700 lbs. – 259 lbs. = 51,441 lbs.
Moisture Discount-----	1.6% x 1.5 = 2.4%
Moisture Deduction -----	51,441 lbs. x 2.4% = 1,235 lbs.
Pay Weight-----	51,441 lbs. – 1,235 lbs. = 50,206 lbs.
Pay Price -----	\$5.50 - \$0.28 = \$5.22
PAYMENT -----	50,206 lbs. x \$5.22/cwt. = \$ 2,620.75

OFFICIAL GRAIN STANDARDS OF THE UNITED STATES
Grades for Wheat, Grain Sorghums and Corn
Effective March 1, 1997

WHEAT

Grade	Minimum test weight per bushel		Maximum limits of –						
								Wheat of other classes ²	
	Hard Red Spring wheat or White Club wheat	All other classes and sub-classes	Heat-damaged kernels	Damaged kernels (total)	Foreign material	Shrunken and Broken Kernels	Defects (total) ¹	Contrasting classes	Wheat of other classes (total) ³
	Pounds	Pounds	Percent	Percent	Percent	Percent	Percent	Percent	Percent
U.S. No. 1	58.0	60.0	0.2	2.0	0.4	3.0	3.0	1.0	3.0
U.S. No. 2	57.0	58.0	0.2	4.0	0.7	5.0	5.0	2.0	5.0
U.S. No. 3	55.0	56.0	0.5	7.0	1.3	8.0	8.0	3.0	10.0
U.S. No. 4	53.0	54.0	1.0	10.0	3.0	12.0	12.0	10.0	10.0
U.S. No. 5	50.0	51.0	3.0	15.0	5.0	20.0	20.0	10.0	10.0

U.S. Sample Grade...U.S. Sample Grade Shall be Wheat that:

- (a) Does not meet the requirements for U.S. Nos. 1, 2, 3, 4 or 5; or
- (b) Has a musty, sour or commercially objectionable foreign odor (except smut or garlic odor); or
- (c) Is heating or of distinctly low quality; or
- (d) Contains 2 or more rodent pellets, bird droppings, or equivalent quantity of other animal filth; or 2 or more castor beans (Ricinus communis L.), 3 or more crotalaria seeds (Crotalaria spp.), 1 or more pieces of glass, 4 or more stones or any number of stones which have an aggregate weight in excess of 0.1 percent of the sample weight, 4 or more particles of an unknown foreign substance(s) or a commonly recognized harmful or toxic foreign combination; or

- (e) 5 total⁴; or
- (f) 32 or more insect-damaged kernels per 100 grams.

¹ Includes damaged kernels (total), foreign material, and shrunken and broken kernels.
² Unclassed wheat of any grade may contain not more than 10.0 percent of wheat of other classes.
³ Includes contrasting classes.
⁴ Includes any combination of animal filth, castor beans, crotalaria seeds, glass, stones or unknown foreign substance.

SORGHUM

Grade ¹	Minimum last weight per bushel	Maximum limits of –			
		Damaged kernels		Broken kernels and foreign material	
		Heat-damaged kernels	Total	Foreign material (part of total)	Total
	Pounds	Percent	Percent	Percent	Percent
U.S. No. 1	57.0	0.2	2.0	1.5	4.0
U.S. No. 2	55.0	0.5	5.0	2.5	7.0
U.S. No. 3	53.0	1.0	10.0	3.5	10.0
U.S. No. 4	51.0	3.0	15.0	4.5	13.0

U.S. Sample Grade... U.S. Sample Grade Shall be Sorghum that:

- (a) Does not meet the requirements for U.S. Nos. 1, 2, 3 or 4; or
- (b) Has a musty, sour or commercially objectionable foreign odor (except smut odor); or
- (c) Is badly weathered, heating or distinctly low quality; or
- (d) Contains 10 or more rodent pellets, bird droppings, or equivalent quantity of other animal filth; or 2 or more castor beans (Ricinus communis L.), 3 or more crotalaria seeds (Crotalaria spp.), 2 or more pieces of glass, 8 or more stones², 4 or more particles of an

unknown foreign substance(s) or a commonly recognized harmful or toxic foreign combination, 8 or more cocklebur (Xanthium spp.).

¹ Sorghum which is distinctly discolored shall not grade higher than U.S. No. 3
² Aggregate weight of stones must also exceed 0.2 percent of the sample weight.
 Sorghum is divided into four classes: Sorghum, Tannin sorghum, White sorghum and Mixed sorghum.

CORN

Grade	Minimum test weight per bushel	Maximum limits of –		
		Damaged kernels		Broken kernels and foreign material
		Heat-damaged kernels	Total	
	Pounds	Percent	Percent	Percent
U.S. No. 1	56.0	0.1	3.0	2.0
U.S. No. 2	54.0	0.2	5.0	3.0
U.S. No. 3	52.0	0.5	7.0	4.0
U.S. No. 4	49.0	1.0	10.0	5.0
U.S. No. 5	46.0	3.0	15.0	7.0

U.S. Sample Grade...U.S. Sample Grade Shall be Corn that:

- (a) Does not meet the requirements for U.S. Nos. 1, 2, 3, 4 or 5; or
- (b) Contains 8 or more stones which have an aggregate weight in excess of 0.2 percent of the sample weight, 2 or more pieces of glass, 3 or more crotalaria seeds (Crotalaria spp.), 2 or more castor beans (Ricinus communis L.), 4 or more particles of an unknown

foreign substance(s) or a commonly recognized harmful or toxic substance(s), 8 or more cocklebur (Xanthium spp.) or similar seeds singly or in combination, or animal filth in excess of 0.2 percent in 1,000 grams; or
 (c) Has musty, sour or commercially objectionable foreign odor; or
 (d) Is heating or otherwise of distinctly low quality.