

New Southwest Scale of Grain Discounts

Corn

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 16.5% 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% 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 grades", buyer has 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 - \$.30 = \$4.70
PAYMENT-----	60,301 lbs. x \$4.70/cwt. = \$2,834.15

* Cattle Empire adjustment. New Southwest Scale of Discounts is 17.0 % moisture.