



United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural Services

Risk  
Management  
Agency

Beacon Facility –  
Mail Stop 0801  
P.O. Box 419205  
Kansas City, MO  
64141-6205

November 28, 2011

**INFORMATIONAL MEMORANDUM: PM-11-055**

**TO:** All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

**FROM:** Tim B. Witt /s/Rodger M. Matthews, for.  
Deputy Administrator

**SUBJECT:** 2012 Crop Year (CY) Organic Practice Cotton Price Premium and  
Popcorn Revenue Factor

**BACKGROUND**

The Commodity Exchange Price Provisions (CEPP) Section II: Cotton authorizes the Risk Management Agency (RMA) to derive organic practice cotton prices for the Yield Protection, Revenue Protection, and Revenue Protection with Harvest Price Exclusion plans of insurance. The methodology used to calculate these prices is posted on the RMA website under the publications tab at [www.rma.usda.gov/pubs/](http://www.rma.usda.gov/pubs/).

The Popcorn Revenue Coverage (Pilot) Crop Provisions state that the projected and harvest prices for popcorn shall be established as the “price for grain type corn determined in accordance with the [CEPP] multiplied by a factor published in the actuarial documents.” The Special Provisions of Insurance for Popcorn Yield Protection authorizes use of this same factor in determining the price election. In addition, the factor effectuates a change in the unit of measure, converting the prices from a grain type corn *price per bushel basis* to a popcorn *price per pound basis*. The factor was provided by the submitter of the Popcorn Revenue Coverage (Pilot) Program.

**ACTION**

RMA is issuing the following 2012 CY price components, supplementing the 2012 CY cotton and popcorn crop provisions:

- *Cotton insured under the organic (certified) practice:* A **\$0.37** per pound price premium will be added to the conventional cotton price, as determined in accordance with the CEPP, for both the projected price and the harvest price.
- *Popcorn insured under both the Popcorn Revenue Coverage (Pilot) Crop Provisions and Popcorn Yield Protection:* A revenue factor of **0.0400** will be applied to the conventional corn price, as determined in accordance with the CEPP, for the projected price (revenue and yield coverage) and the harvest price (revenue coverage).



The Risk Management Agency Administers  
And Oversees All Programs Authorized Under  
The Federal Crop Insurance Corporation

**DISPOSAL DATE**

March 15, 2012