



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

Beacon Facility -
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November 24, 2015

INFORMATIONAL MEMORANDUM: PM-15-055

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

FROM: Tim B. Witt */s/Tim B. Witt*
Deputy Administrator

SUBJECT: 2016 Crop Year Organic Rice Prices, Organic
Cotton Price Premium, and Popcorn Revenue Factors

BACKGROUND:

Organic Rice Prices

Beginning in the 2016 crop year (CY), the Risk Management Agency (RMA) will offer distinct rice organic practice prices for the following plans of insurance: Yield Protection; Area Yield Protection; Supplemental Coverage Option (SCO) Yield Protection; Revenue Protection; Area Revenue Protection; SCO Revenue Protection; Revenue Protection with Harvest Price Exclusion (HPE); Area Revenue Protection with HPE; and SCO Revenue Protection with HPE. The definitions and specifications for the rice organic practice prices are provided in the 'Commodity Exchange Price Provisions (CEPP) Section II: Rice' document at <http://www.rma.usda.gov/policies/cepp.html>.

The methodology used to calculate the prices is posted on the RMA website under the publications tab at www.rma.usda.gov/pubs/. The following 2016 CY organic practice price factor will be applied to the conventional practice rice prices as determined in accordance with the CEPP.

- Organic Practice Rice Price Factor 1.34

Organic Cotton Price Premium

The 'Commodity Exchange Price Provisions (CEPP) Section II: Cotton' document, located at <http://www.rma.usda.gov/policies/cepp.html>, authorizes RMA to derive organic practice cotton prices for the following plans of insurance: Yield Protection; Area Yield Protection; SCO Yield Protection; Revenue Protection; Area Revenue Protection; SCO Revenue Protection; Revenue Protection with HPE; Area Revenue with HPE; SCO Revenue Protection with HPE; Stacked Income Protection Plan – Revenue Protection; and Stacked Income Protection Plan – Revenue Protection with HPE.

The methodology used to calculate these prices is posted on the RMA website under the publications tab at www.rma.usda.gov/pubs/. An organic practice price premium will be added to the conventional practice cotton prices as determined in accordance with the CEPP. The following organic practice price premium is applicable for the 2016 CY:

- Organic Practice Cotton Price Premium \$ 0.60 per pound

Popcorn Revenue Factors

The Popcorn Revenue Coverage (Pilot) Crop Provisions specify the projected and harvest prices shall be the “price for grain type corn determined in accordance with the [CEPP] multiplied by a factor...” The factor converts the conventional per bushel corn price into a per pound popcorn price for the following plans of insurance: Area Yield Protection; SCO Yield Protection; Revenue Protection; Area Revenue Protection; SCO Revenue Protection; Revenue Protection with HPE; Area Revenue Protection with HPE; and SCO Revenue Protection with HPE. The Special Provisions of Insurance contain similar language for the projected price for Yield Protection.

The factor will be available in the Price Discovery Reporting Application, located on the RMA website at <http://prodwebnlb.rma.usda.gov/apps/PriceDiscovery> when the initial 2016 CY CEPP price discovery period for corn begins. The following conversion factor is applicable for the 2016 CY:

- Popcorn Conversion Factor 0.0440

RMA will offer distinct organic practice prices for popcorn. These prices will be derived by multiplying the discovered popcorn prices determined using the conversion factor above, by an organic practice popcorn price factor. The factor will be available in the Price Discovery Reporting Application, located on the RMA website at <http://prodwebnlb.rma.usda.gov/apps/PriceDiscovery> when the initial 2016 CY CEPP price discovery period for corn begins. The organic practice popcorn price factor for the 2016 CY is:

- Organic Popcorn Price Factor 1.44

DISPOSAL DATE:

December 31, 2016