

COMMODITY EXCHANGE PRICE PROVISIONS (CEPP)

2012 AND SUCCEEDING CROP YEARS

Section I: General Information

(The CEPP apply only to crops where choices of protection include both revenue protection and yield protection. See Section II, by crop specification, for price definitions.)

1. Definitions

Additional daily settlement price – A price(s) used in the establishment of the average daily settlement price when at least 8 daily settlement prices for the contract specified in the applicable insured crop’s projected price or harvest price definition are not available. The price(s) are generally obtained from the contract immediately prior to the contract specified in the applicable insured crop’s projected price or harvest price definition, or another contract as determined by RMA. The price must represent the same crop year as the insured crop. Additional daily settlement prices will be those closest to the dates where daily settlement prices for the contract specified in the applicable insured crop’s projected price or harvest price definition, as applicable, do not qualify or are missing. If enough additional daily settlement prices are not available to meet the minimum of 8 prices for the applicable crop year, see 2(c), 2(e)(1), or 2(f).

Average daily settlement price – The sum of all daily settlement prices divided by the total number of full active trading days included in the sum. The average must include a minimum of 8 prices established on full active trading days. If 8 qualifying prices are not available for the applicable contract month specified for the insured crop in section II of the CEPP, additional daily settlement prices will be used to establish the average daily

settlement price until 8 qualifying prices are available. If enough additional daily settlement prices are not available to meet the minimum of 8 prices for the applicable crop year, see 2(c), 2(e)(1), or 2(f).

CBOT – Chicago Board of Trade.

CME – Chicago Mercantile Exchange.

Daily settlement price - A price established in accordance with the CEPP which is available for the crop at the end of a full active trading day.

Full active trading day – For all exchanges **except** the Portland Merchants Exchange, any day on which a minimum of 25 open interest contracts for the relevant futures contract are available. For the Portland Merchants Exchange, there will be **no** minimum open interest requirement.

Harvest Price – Defined in section II.

Harvest Year – The calendar year in which the crop is normally harvested.

ICE - InterContinentalExchange.

KCBT – Kansas City Board of Trade.

MGE – Minneapolis Grain Exchange.

NASS – The National Agricultural Statistics Service, an agency within USDA.

Projected Price – Defined in Section II.

USDA -- United States Department of Agriculture.

2. Price Determinations

(a) In accordance with section 1 of the Common Crop Insurance Policy Basic Provisions, these Commodity Exchange Price Provisions specify how and when the projected price and harvest price will be determined by crop. These provisions are a

part of the policy **for all crops for which revenue protection is available**, regardless of whether the producer elects revenue protection or yield protection for such crops. This document includes the information necessary to derive the projected price and the harvest price for the insured crop, as applicable.

(b) The CEPP will be used to determine:

(1) The projected price and harvest price for insured crops for which revenue protection is selected; or

(2) The projected price for insured crops for which yield protection is selected.

(c) RMA reserves the right to omit any daily settlement price or additional daily settlement price if market conditions are different than those used to rate or price revenue protection.

(d) RMA reserves the right to set the projected price for yield protection.

(e) If the projected price cannot be calculated by the procedures outlined in these

Commodity Exchange Price Provisions:

(1) No revenue protection will be available;

(2) If revenue protection is not available, notice will be provided on RMA's Web site at <http://www.rma.usda.gov/> by the date specified in the applicable projected price definition;

(3) Yield protection will continue to be available; and

(4) The projected price for yield protection will be determined by RMA and released by the date specified in the applicable projected price definition in the CEPP.

(f) If the harvest price cannot be calculated by the procedures outlined in this CEPP, the harvest price will be determined by RMA.

(g) The harvest price will not be greater than the projected price multiplied by 2.00.

(h) Projected prices, harvest prices and associated factors and adjustments for all crops, except the corn silage type, can be found at <http://www.rma.usda.gov/tools/pricediscovery.html>. The methods used for calculating the factors and adjustments can be found at <http://www.rma.usda.gov/pubs/>.

(i) In counties with a fall sales closing date for which insurance is provided on both the spring and fall/winter types, the projected price for spring types will be released after the fall sales closing date at the time specified in the applicable definition of projected price.