

# PRODUCT MANAGEMENT BULLETIN: PM-17-008

DATE February 16, 2017

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

FROM: Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 2/16/2017

SUBJECT: 2017 Crop Year (CY) Common Crop Insurance Policy, Area Risk Protection  
Insurance and Margin Protection Plan Projected Prices and Volatility Factors

## Common Crop Insurance Policy & Area Risk Protection Insurance <sup>1,2</sup>

The 2017 CY **projected prices** shown below are approved for the following plans of insurance: Yield Protection, Area Yield Protection, Revenue Protection, Area Revenue Protection, Revenue Protection with Harvest Price Exclusion, and Area Revenue Protection with the Harvest Price Exclusion. The 2017 CY **volatility factors** shown below are approved for the following plans of insurance: Revenue Protection, Area Revenue Protection, Revenue Protection with Harvest Price Exclusion, and Area Revenue Protection with the Harvest Price Exclusion. The projected prices and volatility factors apply to policies with a **February 28 sales closing date, unless otherwise indicated**, and are applicable for the crops, types, practices and states indicated below:

| Crop/Type/Practice/State   | Exchange | Contract           |
|--|----------|--------------------|
| <b>Corn</b><br><i>Alabama, Florida, Georgia, Louisiana &amp; South Carolina</i>                    | CBOT     | September<br>Corn  |
| <b>Corn - Organic Practice</b><br><i>Alabama, Florida, Georgia, Louisiana &amp; South Carolina</i> | CBOT     | September<br>Corn  |
| <b>Corn</b><br><i>Arkansas &amp; Mississippi</i>   | CBOT     | December<br>Corn   |
| <b>Corn - Organic Practice</b><br><i>Arkansas &amp; Mississippi</i>                                | CBOT     | December<br>Corn   |
| <b>Corn</b><br><i>North Carolina</i>   | CBOT     | December<br>Corn   |
| <b>Corn - Organic Practice</b><br><i>North Carolina</i>  | CBOT     | December<br>Corn   |
| <b>Corn</b><br><i>Arizona, California &amp; Nevada</i>   | CBOT     | December<br>Corn   |
| <b>Corn - Organic Practice</b><br><i>Arizona, California &amp; Nevada</i>                          | CBOT     | December<br>Corn   |
| <b>Cotton</b><br><i>All States</i>   | ICE      | December<br>Cotton |
| <b>Cotton – Organic Practice</b><br><i>All States</i>  | ICE      | December<br>Cotton |
| <b>Grain Sorghum</b><br><i>Alabama, Florida, Georgia &amp; South Carolina</i>                      | CBOT     | December<br>Corn   |
| <b>Grain Sorghum – Organic Practice</b><br><i>Alabama, Florida, Georgia &amp; South Carolina</i>   | CBOT     | December<br>Corn   |
| <b>Grain Sorghum</b><br><i>Arkansas, Louisiana &amp; Mississippi</i>                               | CBOT     | December<br>Corn   |
| <b>Grain Sorghum – Organic Practice</b><br><i>Arkansas, Louisiana &amp; Mississippi</i>            | CBOT     | December<br>Corn   |
| <b>Grain Sorghum</b><br><i>Arizona, California &amp; North Carolina</i>                            | CBOT     | December<br>Corn   |
| <b>Grain Sorghum – Organic Practice</b><br><i>Arizona, California &amp; North Carolina</i>         | CBOT     | December<br>Corn   |

|  |           |   |
|--|-----------|---|
| <b>Peanuts – Runner Type</b><br><i>Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina &amp; Texas</i> | CBOT/ ICE | December<br>Wheat, Cotton, Soybean Oil & Soybean Meal |
| <b>Peanuts – Spanish Type</b><br><i>Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi &amp; Texas</i>                                | CBOT/ ICE | December<br>Wheat, Cotton, Soybean Oil & Soybean Meal |
| <b>Peanuts – Virginia Type</b><br><i>Alabama, Florida, Georgia, Mississippi, North Carolina &amp; South Carolina</i>                           | CBOT/ ICE | December<br>Wheat, Cotton, Soybean Oil & Soybean Meal |
| <b>Popcorn</b><br><b>March 15 Sales Closing Date</b><br><i>Alabama</i>   | CBOT      | September<br>Corn                                     |
| <b>Popcorn – Organic Practice</b><br><b>March 15 Sales Closing Date</b><br><i>Alabama</i>  | CBOT      | September<br>Corn                                     |
| <b>Rice – Long Grain Type &amp; No Type Specified<sup>2</sup></b><br><i>Louisiana</i>  | CBOT      | September<br>Rice                                     |
| <b>Rice – Long Grain Type &amp; No Type Specified; Organic Practice</b><br><i>Louisiana</i>  | CBOT      | September<br>Rice                                     |
| <b>Rice – Medium/Short Grain Types</b><br><i>Louisiana</i>   | CBOT      | September<br>Rice                                     |
| <b>Rice – Medium/Short Grain Types; Organic Practice</b><br><i>Louisiana</i>   | CBOT      | September<br>Rice                                     |
| <b>Rice – Long Grain Type &amp; No Type Specified<sup>2</sup></b><br><i>Arkansas, Mississippi &amp; Texas</i>                                  | CBOT      | November<br>Rice                                      |
| <b>Rice – Long Grain Type &amp; No Type Specified; Organic Practice</b><br><i>Arkansas, Mississippi &amp; Texas</i>                            | CBOT      | November<br>Rice                                      |
| <b>Rice – Medium/Short Grain Types</b><br><i>Arkansas, Mississippi &amp; Texas</i>   | CBOT      | November<br>Rice                                      |
| <b>Rice – Medium/Short Grain Types; Organic Practice</b><br><i>Arkansas, Mississippi &amp; Texas</i>   | CBOT      | November<br>Rice                                      |
| <b>Rice – Long Grain Type &amp; No Type Specified</b><br><i>California, Illinois, Missouri, Oklahoma &amp; Tennessee</i>                       | CBOT      | November<br>Rice                                      |
| <b>Rice – Long Grain Type &amp; No Type Specified; Organic Practice</b><br><i>California, Illinois, Missouri, Oklahoma &amp; Tennessee</i>     | CBOT      | November<br>Rice                                      |
| <b>Rice – Medium/Short Grain Types</b><br><i>California</i>  | CBOT      | November<br>Rice                                      |
| <b>Rice – Medium/Short Grain Types; Organic Practice</b><br><i>California</i>  | CBOT      | November<br>Rice                                      |
| <b>Rice – Medium/Short Grain Types</b><br><i>Illinois, Missouri, Oklahoma &amp; Tennessee</i>  | CBOT      | November<br>Rice                                      |
| <b>Rice – Medium/Short Grain Types; Organic Practice</b><br><i>Illinois, Missouri, Oklahoma &amp; Tennessee</i>                                | CBOT      | November<br>Rice                                      |
| <b>Soybeans</b><br><i>Arkansas, Louisiana, Mississippi &amp; Texas</i>   | CBOT      | November<br>Soybeans                                  |
| <b>Soybeans - Organic Practice</b><br><i>Arkansas, Louisiana, Mississippi &amp; Texas</i>  | CBOT      | November<br>Soybeans                                  |
| <b>Soybeans</b><br><i>Alabama, Florida, Georgia, North Carolina &amp; South Carolina</i>   | CBOT      | January<br>(2018)<br>Soybeans                         |
| <b>Soybeans - Organic Practice</b><br><i>Alabama, Florida, Georgia, North Carolina &amp; South Carolina</i>                                    | CBOT      | January<br>(2018)<br>Soybeans                         |

<sup>1</sup> Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO).

<sup>2</sup> The long grain projected price (conventional practice) is used as the price election under the terms of the **Hybrid Seed Rice Crop Provisions**: <http://www.rma.usda>

### Margin Protection Plan

The following 2017 CY **margin projected prices** and **volatility factors** are approved for the Margin Protection Plan. The margin projected price is used in conjunction with projected input prices and the expected county yield to derive the expected margin (per acre), trigger margin (per acre) and liability. The expected margins for each crop/county are available at the following web page on RMA's public website: <http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>. Please see the following web page on RMA's public website for program details: <http://www.rma.usda.gov/policies/mp/index.html>

| <b>Crop/Type</b>  | <b>Exchange</b> | <b>Contract</b>   | <b>Margin Projected Price</b> | <b>Volatility Factor</b> |
|---|-----------------|-------------------|-------------------------------|--------------------------|
| <b>Rice – Long Grain Type &amp; No Type Specified</b><br><i>Louisiana</i>                         | CBOT            | September<br>Rice | \$0.103/pound                 | 0.17                     |
| <b>Rice – Medium &amp; Short Grain Types</b><br><i>Louisiana</i>                                  | CBOT            | September<br>Rice | \$0.109/pound                 | 0.17                     |
| <b>Rice – Long Grain Type &amp; No Type Specified</b><br><i>Arkansas, Mississippi &amp; Texas</i> | CBOT            | November<br>Rice  | \$0.104/pound                 | 0.17                     |
| <b>Rice – Medium &amp; Short Grain Types</b><br><i>Arkansas, Mississippi &amp; Texas</i>          | CBOT            | November<br>Rice  | \$0.110/pound                 | 0.17                     |
| <b>Rice – Long Grain Type &amp; No Type Specified</b><br><i>California &amp; Missouri</i>         | CBOT            | November<br>Rice  | \$0.104/pound                 | 0.18                     |
| <b>Rice – Medium &amp; Short Grain Types</b><br><i>California</i>                                 | CBOT            | November<br>Rice  | \$0.146/pound                 | 0.18                     |
| <b>Rice – Medium &amp; Short Grain Types</b><br><i>Missouri</i>                                   | CBOT            | November<br>Rice  | \$0.110/pound                 | 0.18                     |

#### DISPOSAL DATE

December 31, 2017