

PRODUCT MANAGEMENT BULLETIN: PM-19-012

DATE February 15, 2019

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 2/15/2019

SUBJECT: 2019 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

The 2019 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 2019 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 | Exchange | Contract | Margin Projected Price | Volatility Factor |
|---|----------|--|------------------------|-------------------|
| Corn Alabama, Florida, Georgia, Louisiana & South Carolina | CBOT | September Corn | \$3.97/bushel | 0.14 |
| Corn- Organic Practice Alabama, Florida, Georgia, Louisiana & South Carolina | CBOT | September Corn | \$9.15/bushel | 0.14 |
| Corn Arkansas & Mississippi | CBOT | December Corn | \$4.01/bushel | 0.13 |
| Corn- Organic Practice Arkansas & Mississippi | CBOT | December Corn | \$9.24/bushel | 0.13 |
| Corn North Carolina | CBOT | December Corn | \$4.01/bushel | 0.14 |
| Corn- Organic Practice North Carolina | CBOT | December Corn | \$9.24/bushel | 0.14 |
| Corn Arizona, California & Nevada | CBOT | December Corn | \$4.01/bushel | 0.14 |
| Corn- Organic Practice Arizona, California & Nevada | CBOT | December Corn | \$9.24/bushel | 0.14 |
| Cotton All States | ICE | December Cotton | \$0.74/pound | 0.14 |
| Cotton - Organic Practice All States | ICE | December Cotton | \$1.16/pound | 0.14 |
| Grain Sorghum Alabama, Florida, Georgia & South Carolina | CBOT | December Corn | \$3.95/bushel | 0.13 |
| Grain Sorghum – Organic Practice Alabama, Florida, Georgia & South Carolina | CBOT | December Corn | \$8.36/bushel | 0.13 |
| Grain Sorghum Arkansas, Louisiana & Mississippi | CBOT | December Corn | \$3.95/bushel | 0.14 |
| Grain Sorghum – Organic Practice Arkansas, Louisiana & Mississippi | CBOT | December Corn | \$8.36/bushel | 0.14 |
| Grain Sorghum Arizona, California & North Carolina | CBOT | December Corn | \$3.95/bushel | 0.14 |
| Grain Sorghum – Organic Practice Arizona, California & North Carolina | CBOT | December Corn | \$8.36/bushel | 0.14 |
| Peanuts – Runner Type Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina & Texas | CBOT/ICE | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2084/pound | 0.11 |
| Peanuts – Spanish Type | CBOT/ICE | December Wheat, Cotton, | \$0.2729/pound | 0.11 |

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| Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi & Texas | | Soybean Oil & Soybean Meal | | |
| Peanuts – Virginia Type Alabama, Florida, Georgia, Mississippi, North Carolina & South Carolina | CBOT/ICE | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2209/pound | 0.11 |
| Popcorn March 15 Sales Closing Date Alabama | CBOT | September Corn | \$0.1707/pound | 0.14 |
| Popcorn – Organic Practice March 15 Sales Closing Date Alabama | CBOT | September Corn | \$0.2457/pound | 0.14 |
| Rice – Long Grain Type³ Louisiana | CBOT | September Rice | \$0.108/pound | 0.11 |
| Rice – Long Grain Type; Organic Practice Louisiana | CBOT | September Rice | \$0.145/pound | 0.11 |
| Rice – Medium/Short Grain Types Louisiana | CBOT | September Rice | \$0.114/pound | 0.11 |
| Rice – Medium/Short Grain Types; Organic Practice Louisiana | CBOT | September Rice | \$0.153/pound | 0.11 |
| Rice – Long Grain Type³ Arkansas, Mississippi & Texas | CBOT | September Rice ² | \$0.108/pound | 0.11 |
| Rice – Long Grain Type; Organic Practice Arkansas, Mississippi & Texas | CBOT | September Rice ² | \$0.145/pound | 0.11 |
| Rice – Medium/Short Grain Types Arkansas, Mississippi & Texas | CBOT | September Rice ² | \$0.114/pound | 0.11 |
| Rice – Medium/Short Grain Types; Organic Practice Arkansas, Mississippi & Texas | CBOT | September Rice ² | \$0.153/pound | 0.11 |
| Rice – Long Grain Type California, Illinois, Missouri, Oklahoma & Tennessee | CBOT | September Rice ² | \$0.108/pound | 0.12 |
| Rice – Long Grain Type; Organic Practice California, Illinois, Missouri, Oklahoma & Tennessee | CBOT | September Rice ² | \$0.145/pound | 0.12 |
| Rice – Medium/Short Grain Types California | CBOT | September Rice ² | \$0.157/pound | 0.12 |
| Rice – Medium/Short Grain Types; Organic Practice California | CBOT | September Rice ² | \$0.210/pound | 0.12 |
| Rice – Medium/Short Grain Types Illinois, Missouri, Oklahoma & Tennessee | CBOT | September Rice ² | \$0.114/pound | 0.12 |
| Rice – Medium/Short Grain Types; Organic Practice Illinois, Missouri, Oklahoma & Tennessee | CBOT | September Rice ² | \$0.153/pound | 0.12 |
| Soybeans Arkansas, Louisiana, Mississippi & Texas | CBOT | November Soybeans | \$9.55/bushel | 0.13 |
| Soybeans - Organic Practice Arkansas, Louisiana, Mississippi & Texas | CBOT | November Soybeans | \$19.07/bushel | 0.13 |
| Soybeans Alabama, Florida, Georgia, North Carolina & South Carolina | CBOT | January(2020) Soybeans | \$9.65/bushel | 0.13 |
| Soybeans - Organic Practice Alabama, Florida, Georgia, North Carolina & South Carolina | CBOT | January(2020) Soybeans | \$19.27/bushel | 0.13 |

¹ Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO) and Stacked Income Protection (STAX - cotton only).

² In accordance with the Commodity Exchange Price Provisions (CEPP), the CBOT September rice contract is used to derive the projected rice prices since the November contract lacks sufficient volume and open interest activity.

³ The long grain projected price (conventional practice) is used as the price election under the terms of the Hybrid Seed Rice Crop Provisions.

The Margin Protection Plan

The following 2019 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: <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>

Please see the following web page on RMA's public website for program details:

| Crop/Type | Exchange | Contract | Margin Projected Price | Volatility Factor |
|--|----------|-----------------------------|------------------------|-------------------|
| Rice – Long Grain Type & No Type Specified Louisiana | CBOT | September Rice | \$0.108/pound | 0.11 |
| Rice – Medium & Short Grain Types Louisiana | CBOT | September Rice | \$0.114/pound | 0.11 |
| Rice – Long Grain Type & No Type Specified Arkansas, Mississippi & Texas | CBOT | September Rice ¹ | \$0.108/pound | 0.11 |
| Rice – Medium & Short Grain Types Arkansas, Mississippi & Texas | CBOT | September Rice ¹ | \$0.114/pound | 0.11 |
| Rice – Long Grain Type & No Type Specified California and Missouri | CBOT | September Rice ¹ | \$0.108/pound | 0.12 |
| Rice – Medium & Short Grain Types California | CBOT | September Rice ¹ | \$0.157/pound | 0.12 |
| Rice – Medium & Short Grain Types Missouri | CBOT | September Rice ¹ | \$0.114/pound | 0.12 |

¹ In accordance with the Margin Price Provisions (MPP), the CBOT September rice contract is used to derive the projected rice prices since the November contract lacks sufficient volume and open interest activity.