

PM-20-082: 2021 Crop Year Organic Rice Price Factor, Organic Cotton Price Premium, and Popcorn Price Factors

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Date

November 25, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ John W. Underwood for 11/25/2020

Subject

2021 Crop Year Organic Rice Price Factor, Organic Cotton Price Premium, and Popcorn Price Factors

Background

The Risk Management Agency (RMA) derives prices for certain programs by applying factors and premiums to conventional projected and harvest prices established in accordance with the Commodity Exchange Price Provisions (CEPP). The factors and premiums for organic rice, organic cotton, popcorn and organic popcorn are provided below.

Action

Organic Rice Price Factor

The 'CEPP Section II: Rice' document authorizes RMA to derive organic practice rice prices. The following 2021 crop year (CY) organic practice price factor will be applied

to the conventional practice rice prices, in accordance with the CEPP, to derive the organic practice rice prices:

- Organic Practice Rice Price Factor 1.34

Organic Cotton Price Premium

The 'CEPP Section II: Cotton' document authorizes RMA to derive organic practice cotton prices. The following 2021 CY organic practice price premium will be added to the conventional practice cotton prices, in accordance with the CEPP, to derive the organic practice cotton prices:

- Organic Practice Cotton Price Premium \$ 0.36 per pound

Popcorn Price Factors

The Popcorn Revenue Coverage (Pilot) Crop Provisions specify that 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. The Special Provisions of Insurance contain similar language for the projected price for Yield Protection. The following conversion factor is applicable for the 2021 CY:

- Popcorn Conversion Price Factor 0.0430

An organic popcorn factor converts conventional per bushel corn prices into per pound organic popcorn prices. The following conversion factor is applicable for the 2021 CY:

- Organic Practice Popcorn Conversion Price Factor 0.0619

DISPOSAL DATE

December 31, 2022