

## **PM-22-070**

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Date

November 28, 2022

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 11/28/2022

Subject

2023 Crop Year Organic Rice Price Factor, Organic Cotton Price Premium, Popcorn Price Factors, Sunflower Price Factors, Grain Sorghum Price Factor, and Organic Oats Price Factor

## **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, organic popcorn, confectionery sunflowers, organic sunflowers, grain sorghum, and organic oats are provided below.

## **Action**

### **Organic Rice Price Factor**

The “CEPP Section II: Rice” document authorizes RMA to derive organic rice prices. The following 2023 crop year (CY) organic price factor will be applied to conventional rice prices, in accordance with the CEPP, to derive organic rice prices:

- Organic Rice Price Factor 1.34

### **Organic Cotton Price Premium**

The “CEPP Section II: Cotton” document authorizes RMA to derive organic cotton prices. The following 2023 CY organic price premium will be added to conventional cotton prices, in accordance with the CEPP, to derive organic cotton prices:

- Organic Cotton Price Premium \$0.52 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 2023 CY:

- Popcorn Conversion Price Factor 0.0430

An organic price factor converts conventional per bushel corn prices into per pound organic popcorn prices. The following conversion factor is applicable for the 2023 CY:

- Organic Popcorn Conversion Price Factor 0.0619

### **Sunflower Price Factors**

The “CEPP Section II: Sunflowers” document instructs RMA to derive confectionery sunflower prices. The following 2023 CY confectionery price factor will be applied to oil sunflower prices, in accordance with the CEPP, to derive confectionery sunflower prices:

- Confectionery Sunflower Price Factor 1.07

The “CEPP Section II: Sunflowers” document authorizes RMA to derive organic sunflower prices. The following 2023 CY organic price factor will be applied to conventional oil sunflower prices, in accordance with the CEPP, to derive organic sunflower prices for both oil and confectionery types:

- Organic Sunflower Price Factor 1.82

### **Grain Sorghum Price Factor**

The “CEPP Section II: Grain Sorghum” document instructs RMA to derive

conventional grain sorghum prices. The following 2023 CY grain sorghum price factor will be applied to corn futures prices, in accordance with the CEPP, to derive conventional grain sorghum prices:

- Grain Sorghum Price Factor 0.989

### **Organic Oats Price Factor**

The “CEPP Section II: Oats” document authorizes RMA to derive organic oats prices. The following 2023 CY organic price factor will be applied to conventional oats prices, in accordance with the CEPP, to derive organic oats prices:

- Organic Oats Price Factor 1.90

### **DISPOSAL DATE**

December 31, 2023