

PM-21-066

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Date

November 23, 2021

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

Subject

2022 Crop Year Organic Rice Price Factor, Organic Cotton Price Premium, Popcorn Price Factors, and Sunflower 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, organic popcorn, confectionery sunflowers, and organic sunflowers are provided below.

Action

Organic Rice Price Factor

The 'CEPP Section II: Rice' document authorizes RMA to derive organic practice rice prices. The following 2022 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 2022 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 \$0.40 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 2022 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 2022 CY:

- Organic Practice Popcorn Conversion Price Factor 0.0619

Sunflower Price Factors

The 'CEPP Section II: Sunflowers' document instructs RMA to derive confectionery type sunflower prices. The following 2022 CY confectionery type price factor will be applied to the oil type sunflower prices, in accordance with the CEPP, to derive the confectionery type sunflower prices:

- Confectionery Type Sunflower Price Factor 1.25

The 'CEPP Section II: Sunflowers' document authorizes RMA to derive organic practice sunflower prices. The following 2022 CY organic practice price factor will be applied to the conventional oil type sunflower prices, in accordance with the CEPP, to derive the organic practice sunflower prices for both oil and confectionery types:

- Organic Practice Sunflower Price Factor 1.82

DISPOSAL DATE:

December 31, 2023