

## **PM-16-018**

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Date

March 3, 2016

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Tim B. Witt, Deputy Administrator /s/ Tim B. Witt

Subject

2016 Crop Year (CY) Dry Pea and Dry Bean Crop Provisions and Revenue

Endorsement: Projected Prices, Volatility Factors, and Additional Projected Prices, as applicable, for States with a March 15, 2016 Sales Closing Date (SCD)

## **Dry Pea and Dry Bean Crop Provisions and Revenue Endorsement<sup>1</sup>**

The approved 2016 CY projected prices shown below are for the Yield Protection, Revenue Protection, and Revenue Protection with Harvest Price Exclusion plans of insurance. The approved 2016 CY volatility factors shown below are for the Revenue Protection and Revenue Protection with Harvest Price Exclusion plans of insurance. The projected prices and volatility factors are applicable for the states, crops, and types indicated in the subsequent tables.

**As authorized by the Special Provisions, RMA is providing additional projected prices for selected dry bean and dry pea types where the Dry Bean Revenue Endorsement (DBRE) and Dry Pea Revenue Endorsement (DPRE) do not offer coverage for price movement. Per the Special Provisions, the additional projected price shall be the basis for the premium determination and settlement of claims.**

While the minimum data requirements to offer revenue coverage (i.e. Revenue Protection and Revenue Protection with Harvest Price Exclusion plans of insurance) were met for both Dark Red Kidney and Pinto types in Michigan, offering revenue coverage could encourage revenue product purchases despite the historically low probability of sufficient data to support the release of harvest prices. Thus, the submitter of the DBRE and DPRE as well as the pulse producer groups do not believe it is in the best interest of growers to offer revenue coverage for these types. Consequently, these types will not have revenue coverage for price movement.

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

**Projected Prices:**

<b>Michigan Dry Beans DBRE - Revenue Types</b>	<b>Projected Price</b>	<b>Volatility Factor</b>	<b>Updated CAT Price (Yield Protection Only)</b>
	<b>(\$ / pound)</b>		<b>(\$ / pound)</b>
Type: Black	\$0.25	0.15	\$0.1375
Type: Dark Red Kidney*	\$0.32	0.00	\$0.1760
Type: Pea (Navy)	\$0.25	0.15	\$0.1375
Type: Pinto*	\$0.22	0.00	\$0.1210
- Pinto (Organic)**	\$0.33	N/A	\$0.1815
Type: Small Red	\$0.29	0.15	\$0.1595

<b>Minnesota and North Dakota Dry Beans DBRE - Revenue Types</b>	<b>Projected Price</b>	<b>Volatility Factor</b>	<b>Updated CAT Price (Yield Protection Only)</b>
	<b>(\$ / pound)</b>		<b>(\$ / pound)</b>
Type: Black	\$0.22	0.15	\$0.1210
Type: Dark Red Kidney	\$0.34	0.15	\$0.1870
Type: Pea (Navy)	\$0.22	0.15	\$0.1210

<b>Minnesota and North Dakota Dry Beans DBRE - Revenue Types</b>	<b>Projected Price (\$ / pound)</b>	<b>Volatility Factor</b>	<b>Updated CAT Price (Yield Protection Only) (\$ / pound)</b>
Type: Pinto	\$0.22	0.15	\$0.1210
- Pinto (organic)**	\$0.33	0.15	\$0.1815

**\* There will be no price movement for this type; the harvest price is set equal to the projected price and the volatility factor is set equal to zero.**

**\*\* Premium organic projected prices are only being offered for the yield-based plans of insurance.**

<b>Montana and North Dakota Dry Peas DPRE - Revenue Types</b>	<b>Projected Price (\$ / pound)</b>	<b>Volatility Factor</b>	<b>Updated CAT Price (Yield Protection Only) (\$ / pound)</b>
Type: Spring Smooth Green/Yellow	\$0.11	0.16	\$0.0605
- Spr. Sm. Green/Yellow (organic) **	\$0.17	N/A	\$0.0935
Type: Spring Lentils	\$0.26	0.16	\$0.1430
- Spring Lentils (organic) **	\$0.39	N/A	\$0.2145
Type: Spring Small Kabuli Chickpeas	\$0.23	\$0.23	\$0.1265
- Spr. Sm. Kabuli Chick. (organic) **	\$0.35	N/A	\$0.1925
Type: Spring Large Kabuli Chickpeas	\$0.32	0.16	\$0.1760
- Spr. Lar. Kabuli Chick. (organic) **	\$0.48	N/A	\$0.2640

<b>Idaho and Washington Dry Peas DPRE - Revenue Types</b>	<b>Projected Price  (\$ / pound)</b>	<b>Volatility Factor</b>	<b>Updated CAT Price (Yield Protection Only)  (\$ / pound)</b>
Type: Spring Smooth Green/Yellow	\$0.16	0.16	\$0.0880
- Spr. Sm. Green/Yellow (organic) **	\$0.24	N/A	\$0.1320
Type: Spring Lentils	\$0.28	0.16	\$0.1540
- Spring Lentils (organic) **	\$0.42	N/A	\$0.2310
Type: Spring Small Kabuli Chickpeas	\$0.25	0.16	\$0.1375
- Spr. Sm. Kabuli Chick. (organic) **	\$0.38	N/A	\$0.2090
Type: Spring Large Kabuli Chickpeas	\$0.31	0.16	\$0.1705
- Spr. Lrg. Kabuli Chick. (organic)**	\$0.47	N/A	\$0.2585

**\*\* Premium organic projected prices are only being offered for the yield-based plans of insurance.**

**Additional Projected Prices:**

<b>Michigan Dry Beans DBRE - Non- Revenue Types</b>	<b>Additional Projected Price  (\$ / pound)</b>	<b>11/30/2015 Projected Price  (\$ / pound)</b>	<b>Updated CAT Price (Yield Protection Only)  (\$ / pound)</b>
Type: Adzuki	\$0.29	\$0.24	\$0.1595
Type: Great Northern	\$0.23	\$0.17	\$0.1265
Type: Pink	\$0.23	\$0.20	\$0.1265
Type: Small White	\$0.25	\$0.23	\$0.1375

<b>Michigan Dry Beans DBRE - Non- Revenue Types</b>	<b>Additional Projected Price  (\$ / pound)</b>	<b>11/30/2015 Projected Price  (\$ / pound)</b>	<b>Updated CAT Price (Yield Protection Only)  (\$ / pound)</b>
Type: Tebo	\$0.23	\$0.17	\$0.1265

<b>Minnesota and North Dakota Dry Beans DBRE - Non- Revenue Types</b>	<b>Additional Projected Price  (\$ / pound)</b>	<b>11/30/2015 Projected Price  (\$ / pound)</b>	<b>Updated CAT Price (Yield Protection Only)  (\$ / pound)</b>
Type: Great Northern	\$0.21	\$0.17	\$0.1155
Type: Pink	\$0.23	\$0.22	\$0.1265
Type: Small Red	\$0.24	\$0.19	\$0.1320
Type: Tebo	\$0.22	\$0.17	\$0.1210

<b>Idaho, Montana, North Dakota Dry Peas DBRE - Non-Revenue Types</b>	<b>Additional Projected Price  (\$ / pound)</b>	<b>11/30/2015 Projected Price  (\$ / pound)</b>	<b>Updated CAT Price (Yield Protection Only)  (\$ / pound)</b>
Type: Spring Austrian/Forage Peas	\$0.21	\$0.20	\$0.1155
- Spr. Austrian/Forage Peas (organic)**	\$0.32	\$0.30	\$0.1760

**\*\* Premium organic projected prices are only being offered for the yield-based plans of insurance.**

**Disposal Date:**

December 31, 2016