

## **PM-17-008**

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Date

February 16, 2017

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 2/16/2017

Subject

2017 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 <sup>1, 2</sup>**

The 2017 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 2017 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:

| <b>Crop/Type/Practice/State</b>                                   | <b>Exchange</b> | <b>Contract</b> | <b>Projected Price</b> | <b>Volatility Factor</b> |
|---|-----------------|-----------------|------------------------|--------------------------|
| <b>Corn</b> Alabama, Florida, Georgia, Louisiana & South Carolina | CBOT            | September Corn  | \$3.87/bushel          | 0.17                     |

| <b>Crop/Type/Practice/State</b>  | <b>Exchange</b> | <b>Contract</b>    | <b>Projected Price</b> | <b>Volatility Factor</b> |
|--|-----------------|--------------------|------------------------|--------------------------|
| <b>Corn - Organic Practice</b><br>Alabama, Florida, Georgia,<br>Louisiana & South Carolina | CBOT            | September<br>Corn  | \$8.86/bushel          | 0.17                     |
| <b>Corn</b> Arkansas & Mississippi   | CBOT            | December<br>Corn   | \$3.94/bushel          | 0.17                     |
| <b>Corn - Organic Practice</b><br>Arkansas & Mississippi                                   | CBOT            | December<br>Corn   | \$9.02/bushel          | 0.17                     |
| <b>Corn</b> North Carolina   | CBOT            | December<br>Corn   | \$3.94/bushel          | 0.17                     |
| <b>Corn - Organic Practice</b> North<br>Carolina   | CBOT            | December<br>Corn   | \$9.02/bushel          | 0.17                     |
| <b>Corn</b> Arizona, California &<br>Nevada  | CBOT            | December<br>Corn   | \$3.94/bushel          | 0.18                     |
| <b>Corn - Organic Practice</b><br>Arizona, California & Nevada                             | CBOT            | December<br>Corn   | \$9.02/bushel          | 0.18                     |
| <b>Cotton</b> All States   | ICE             | December<br>Cotton | \$0.73/pound           | 0.15                     |
| <b>Cotton - Organic Practice</b> All<br>States   | ICE             | December<br>Cotton | \$1.13/pound           | 0.15                     |
| <b>Grain Sorghum</b> Alabama,<br>Florida, Georgia & South<br>Carolina                      | CBOT            | December<br>Corn   | \$3.81/bushel          | 0.16                     |
| <b>Grain Sorghum - Organic Practice</b> Alabama, Florida,<br>Georgia & South Carolina      | CBOT            | December<br>Corn   | \$5.61/bushel          | 0.16                     |
| <b>Grain Sorghum</b> Arkansas,<br>Louisiana & Mississippi                                  | CBOT            | December<br>Corn   | \$3.81/bushel          | 0.17                     |
| <b>Grain Sorghum - Organic Practice</b> Arkansas, Louisiana &<br>Mississippi               | CBOT            | December<br>Corn   | \$5.61/bushel          | 0.17                     |
| <b>Grain Sorghum</b> Arizona,<br>California & North Carolina                               | CBOT            | December<br>Corn   | \$3.81/bushel          | 0.18                     |

| <b>Crop/Type/Practice/State</b>  | <b>Exchange</b> | <b>Contract</b>                                    | <b>Projected Price</b> | <b>Volatility Factor</b> |
|--|-----------------|--|------------------------|--------------------------|
| <b>Grain Sorghum - Organic Practice</b> Arizona, California & North Carolina   | CBOT            | December Corn                                      | \$5.61/bushel          | 0.18                     |
| <b>Peanuts - Runner Type</b> Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina & Texas | CBOT/ ICE       | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.1977/pound         | 0.12                     |
| <b>Peanuts - Spanish Type</b> Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi & Texas                                | CBOT/ ICE       | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2590/pound         | 0.12                     |
| <b>Peanuts - Virginia Type</b> Alabama, Florida, Georgia, Mississippi, North Carolina & South Carolina                           | CBOT/ ICE       | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2194/pound         | 0.12                     |
| <b>Popcorn March 15 Sales Closing Date</b> Alabama   | CBOT            | September Corn                                     | \$0.1664/pound         | 0.17                     |
| <b>Popcorn - Organic Practice March 15 Sales Closing Date</b> Alabama  | CBOT            | September Corn                                     | \$0.2396/pound         | 0.17                     |
| <b>Rice - Long Grain Type &amp; No Type Specified<sup>2</sup></b> Louisiana  | CBOT            | September Rice                                     | \$0.103/pound          | 0.17                     |
| <b>Rice - Long Grain Type &amp; No Type Specified; Organic Practice</b> Louisiana  | CBOT            | September Rice                                     | \$0.138/pound          | 0.17                     |
| <b>Rice - Medium/Short Grain Types</b> Louisiana   | CBOT            | September Rice                                     | \$0.109/pound          | 0.17                     |

| <b>Crop/Type/Practice/State</b>  | <b>Exchange</b> | <b>Contract</b> | <b>Projected Price</b> | <b>Volatility Factor</b> |
|--|-----------------|-----------------|------------------------|--------------------------|
| <b>Rice - Medium/Short Grain Types; Organic Practice</b><br>Louisiana  | CBOT            | September Rice  | \$0.146/pound          | 0.17                     |
| <b>Rice - Long Grain Type &amp; No Type Specified<sup>2</sup></b> Arkansas, Mississippi & Texas                              | CBOT            | November Rice   | \$0.104/pound          | 0.17                     |
| <b>Rice - Long Grain Type &amp; No Type Specified; Organic Practice</b> Arkansas, Mississippi & Texas                        | CBOT            | November Rice   | \$0.139/pound          | 0.17                     |
| <b>Rice - Medium/Short Grain Types</b> Arkansas, Mississippi & Texas   | CBOT            | November Rice   | \$0.110/pound          | 0.17                     |
| <b>Rice - Medium/Short Grain Types; Organic Practice</b> Arkansas, Mississippi & Texas                                       | CBOT            | November Rice   | \$0.148/pound          | 0.17                     |
| <b>Rice - Long Grain Type &amp; No Type Specified</b> California, Illinois, Missouri, Oklahoma & Tennessee                   | CBOT            | November Rice   | \$0.104/pound          | 0.18                     |
| <b>Rice - Long Grain Type &amp; No Type Specified; Organic Practice</b> California, Illinois, Missouri, Oklahoma & Tennessee | CBOT            | November Rice   | \$0.139/pound          | 0.18                     |
| <b>Rice - Medium/Short Grain Types</b> California  | CBOT            | November Rice   | \$0.146/pound          | 0.18                     |
| <b>Rice - Medium/Short Grain Types; Organic Practice</b> California  | CBOT            | November Rice   | \$0.196/pound          | 0.18                     |
| <b>Rice - Medium/Short Grain Types</b> Illinois, Missouri, Oklahoma & Tennessee  | CBOT            | November Rice   | \$0.110/pound          | 0.18                     |

| <b>Crop/Type/Practice/State</b>  | <b>Exchange</b> | <b>Contract</b>         | <b>Projected Price</b> | <b>Volatility Factor</b> |
|--|-----------------|-------------------------|------------------------|--------------------------|
| <b>Rice - Medium/Short Grain Types; Organic Practice</b><br>Illinois, Missouri, Oklahoma & Tennessee | CBOT            | November Rice           | \$0.148/pound          | 0.18                     |
| <b>Soybeans</b> Arkansas, Louisiana, Mississippi & Texas   | CBOT            | November Soybeans       | \$10.21/bushel         | 0.15                     |
| <b>Soybeans - Organic Practice</b><br>Arkansas, Louisiana, Mississippi & Texas                       | CBOT            | November Soybeans       | \$20.56/bushel         | 0.15                     |
| <b>Soybeans</b> Alabama, Florida, Georgia, North Carolina & South Carolina                           | CBOT            | January (2018) Soybeans | \$10.25/bushel         | 0.16                     |
| <b>Soybeans - Organic Practice</b><br>Alabama, Florida, Georgia, North Carolina & South Carolina     | CBOT            | January (2018) Soybeans | \$20.64/bushel         | 0.16                     |

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

**<sup>2</sup> The long grain projected price (conventional practice) is used as the price election under the terms of the Hybrid Seed Rice Crop Provisions.**

### **Margin Protection Plan**

The following 2017 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: [aibpf-rma.fpac.usda.gov/apps/ActuarialInformationBrowser/CropCriteria.aspx](http://aibpf-rma.fpac.usda.gov/apps/ActuarialInformationBrowser/CropCriteria.aspx). Please see the following web page on RMA's public website for program details: [www.rma.usda.gov/about-crop-insurance/managing-farm-risk/insurance-plans](http://www.rma.usda.gov/about-crop-insurance/managing-farm-risk/insurance-plans).

| <b>Crop/Type</b>   | <b>Exchange</b> | <b>Contract</b>   | <b>Margin<br/>Projected Price</b> | <b>Volatility<br/>Factor</b> |
|--|-----------------|-------------------|-----------------------------------|------------------------------|
| <b>Rice - Long Grain Type &amp;<br/>No Type Specified</b><br>Louisiana                     | CBOT            | September<br>Rice | \$0.103/pound                     | 0.17                         |
| <b>Rice - Medium &amp; Short<br/>Grain Types</b> Louisiana                                 | CBOT            | September<br>Rice | \$0.109/pound                     | 0.17                         |
| <b>Rice - Long Grain Type &amp;<br/>No Type Specified</b><br>Arkansas, Mississippi & Texas | CBOT            | November<br>Rice  | \$0.104/pound                     | 0.17                         |
| <b>Rice - Medium &amp; Short<br/>Grain Types</b> Arkansas,<br>Mississippi & Texas          | CBOT            | November<br>Rice  | \$0.110/pound                     | 0.17                         |
| <b>Rice - Long Grain Type &amp;<br/>No Type Specified</b><br>California & Missouri         | CBOT            | November<br>Rice  | \$0.104/pound                     | 0.18                         |
| <b>Rice - Medium &amp; Short<br/>Grain Types</b> California                                | CBOT            | November<br>Rice  | \$0.146/pound                     | 0.18                         |
| <b>Rice - Medium &amp; Short<br/>Grain Types</b> Missouri                                  | CBOT            | November<br>Rice  | \$0.110/pound                     | 0.18                         |

#### **DISPOSAL DATE**

December 31, 2017