

PM-18-007: 2018 Crop Year (CY) Common Crop Insurance Policy and Area Risk Protection Insurance Projected Prices and Volatility Factors

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Date

February 1, 2018

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

2018 Crop Year (CY) Common Crop Insurance Policy and Area Risk Protection Insurance Projected Prices and Volatility Factors

Common Crop Insurance Policy & Area Risk Protection Insurance ¹

The 2018 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 - Harvest Price Exclusion. The 2018 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 - Harvest Price Exclusion. The projected prices and volatility factors apply to policies with a February 15 sales closing date and are applicable for the crops, types, practices and states indicated below:

Crop/Type/Practice/State	Exchange	Contract ²	Projected Price	Volatility Factor
Corn Texas	CBOT	December Corn	\$3.86/bu.	0.14
Corn - Organic Practice Texas	CBOT	December Corn	\$8.84/bu	0.14
Grain Sorghum Texas	CBOT	December Corn	\$3.73/bu.	0.14
Grain Sorghum - Organic Practice Texas	CBOT	December Corn	\$8.05/bu	0.14
Rice – Long Grain Type Florida	CBOT	September 2 Rice	\$0.117/lb.	0.13
Rice – Long Grain Type; Organic Practice Florida	CBOT	September 2 Rice	\$0.157/lb.	0.13
Rice – Medium & Short Grain Types Florida	CBOT	September 2 Rice	\$0.129/lb.	0.13
Rice – Medium & Short Grain Types; Organic Practice Florida	CBOT	September 2 Rice	\$0.172/lb	0.13

¹ Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO).

² In accordance with the Commodity Exchange Price Provisions (CEPP), the CBOT September rice contract is used to derive the projected rice prices since the November contract lacks sufficient volume and open interest activity. See the relevant for details: www.rma.usda.gov/policy-procedure/crop-policies/commodity-exchange-price-provisions-section-general-information

DISPOSAL DATE

December 31, 2018