

PM-20-034: Margin Protection Plan of Insurance Changes Effective for the 2021 and Succeeding Crop Years

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Date

June 1, 2020

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 6/1/2020

Subject

Margin Protection Plan of Insurance Changes Effective for the 2021 and Succeeding Crop Years

Background

The Risk Management Agency (RMA) uses fertilizer prices posted by the Chicago Mercantile Exchange Group (CME) to establish guarantees and determine indemnities under the Margin Protection (MP) Plan of Insurance. The CME has recently discontinued posting swaps prices for Urea (as of January 2020) and Diammonium Phosphate (DAP) (following the March 2020 contract). As a result of the change in available price data, RMA is updating the MP price provisions to utilize futures prices for Urea and DAP.

Action

The following materials will be available by close of business today on the RMA website at www.rma.usda.gov:

- Margin Price Provisions Section I: General Information
- Margin Price Provisions Section II Commodity Price Definitions and Section III Commodity Input Definitions: Crop-Specific Endorsements:
 - Corn
 - Rice
 - Soybeans
 - Wheat

Approved insurance providers must notify policyholders of these changes at least 30 days prior to the cancellation date, as required by the policy.

If you have any questions, please contact Michael Ciliege or Cody Lovercamp, Product Administration and Standards Division at (816) 926-7730.

DISPOSAL DATE

December 31, 2020