

## **PM-22-015: 2022 Crop Year (CY) Common Crop Insurance Policy, Area Risk Protection Insurance and Margin Protection Projected Prices and Volatility Factors**

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Date

February 15, 2022

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ John W. Underwood, for 2/15/2022

Subject

2022 Crop Year (CY) Common Crop Insurance Policy, Area Risk Protection Insurance and Margin Protection Projected Prices and Volatility Factors

### **Common Crop Insurance Policy & Area Risk Protection Insurance <sup>1, 2, 3, 4</sup>**

The 2022 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 2022 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	\$5.87/bushel	0.22
<b>Corn - Organic Practice</b> Alabama, Florida, Georgia, Louisiana & South Carolina	CBOT	September Corn	\$11.66/bushel	0.22
<b>Corn</b> Arkansas & Mississippi	CBOT	December Corn	\$5.75/bushel	0.20
<b>Corn - Organic Practice</b> Arkansas & Mississippi	CBOT	December Corn	\$11.42/bushel	0.20
<b>Corn</b> North Carolina	CBOT	December Corn	\$5.75/bushel	0.21
<b>Corn - Organic Practice</b> North Carolina	CBOT	December Corn	\$11.42/bushel	0.21
<b>Corn</b> Arizona, California & Nevada	CBOT	December Corn	\$5.75/bushel	0.23
<b>Corn - Organic Practice</b> Arizona, California & Nevada	CBOT	December Corn	\$11.42/bushel	0.23
<b>Cotton</b> All States	ICE	December Cotton	\$1.02/pound	0.22
<b>Cotton - Organic Practice</b> All States	ICE	December Cotton	\$1.42/pound	0.22
<b>Grain Sorghum</b> Alabama, Florida, Georgia & South Carolina	CBOT	December Corn	\$5.73/bushel	0.20
<b>Grain Sorghum - Organic Practice</b> Alabama, Florida, Georgia & South Carolina	CBOT	December Corn	\$11.97/bushel	0.20
<b>Grain Sorghum</b> Arkansas, Louisiana & Mississippi	CBOT	December Corn	\$5.73/bushel	0.21

<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> Arkansas, Louisiana & Mississippi	CBOT	December Corn	\$5.73/bushel	0.21
<b>Grain Sorghum</b> Arizona, California & North Carolina	CBOT	December Corn	\$5.73/bushel	0.23
<b>Grain Sorghum - Organic Practice</b> Arizona, California & North Carolina	CBOT	December Corn	\$11.97/bushel	0.23
<b>Peanuts - Runner Type</b> Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri, North Carolina, South Carolina & Texas	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2404/pound	0.18
<b>Peanuts - Runner Type</b> Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri, North Carolina, South Carolina & Texas	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.4375/pound	0.18
<b>Peanuts - Virginia Type</b> Alabama, Florida, Georgia, Mississippi, North Carolina & South Carolina	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2669/pound	0.18
<b>Popcorn March 15 Sales Closing Date</b> Alabama	CBOT	September Corn	\$0.2524/pound	0.22

<b>Crop/Type/Practice/State</b>	<b>Exchange</b>	<b>Contract</b>	<b>Projected Price</b>	<b>Volatility Factor</b>
<b>Popcorn - Organic Practice</b> <b>March 15 Sales Closing Date</b> Alabama	CBOT	September Corn	\$0.3634/pound	0.22
<b>Rice - Long Grain Type</b> Louisiana	CBOT	September Rice	\$0.145/pound	0.09
<b>Rice - Long Grain Type; Organic Practice</b> Louisiana	CBOT	September Rice	\$0.194/pound	0.09
<b>Rice - Medium/Short Grain Types</b> Louisiana	CBOT	September Rice	\$0.204/pound	0.09
<b>Rice - Medium/Short Grain Types; Organic Practice</b> Louisiana	CBOT	September Rice	\$0.274/pound	0.09
<b>Rice - Long Grain Type</b> Arkansas, Mississippi & Texas	CBOT	September <sup>4</sup> Rice	\$0.145/pound <sup>4</sup>	0.10
<b>Rice - Long Grain Type; Organic Practice</b> Arkansas, Mississippi & Texas	CBOT	September <sup>4</sup> Rice	\$0.194/pound <sup>4</sup>	0.10
<b>Rice - Medium/Short Grain Types</b> Arkansas, Mississippi & Texas	CBOT	September <sup>4</sup> Rice	\$0.204/pound <sup>4</sup>	0.10
<b>Rice - Medium/Short Grain Types; Organic Practice</b> Arkansas, Mississippi & Texas	CBOT	September <sup>4</sup> Rice	\$0.274/pound <sup>4</sup>	0.10
<b>Rice - Long Grain Type</b> California, Oklahoma & Tennessee	CBOT	September <sup>4</sup> Rice	\$0.145/pound <sup>4</sup>	0.11
<b>Rice - Long Grain Type; Organic Practice</b> California, Oklahoma & Tennessee	CBOT	September <sup>4</sup> Rice	\$0.194/pound <sup>4</sup>	0.11

<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</b> California	CBOT	September <sup>4</sup> Rice	\$0.255/pound <sup>4</sup>	0.11
<b>Rice - Medium/Short Grain Types; Organic Practice</b> California	CBOT	September <sup>4</sup> Rice	\$0.342/pound <sup>4</sup>	0.11
<b>Rice - Medium/Short Grain Types</b> Oklahoma & Tennessee	CBOT	September <sup>4</sup> Rice	\$0.204/pound <sup>4</sup>	0.11
<b>Rice - Medium/Short Grain Types; Organic Practice</b> Oklahoma & Tennessee	CBOT	September <sup>4</sup> Rice	\$0.274/pound <sup>4</sup>	0.11
<b>Soybeans</b> Arkansas, Louisiana, Mississippi & Texas	CBOT	November Soybeans	\$13.69/bushel	0.20
<b>Soybeans - Organic Practice</b> Arkansas, Louisiana, Mississippi & Texas	CBOT	November Soybeans	\$26.19/bushel	0.20
<b>Soybeans</b> Alabama, Florida, Georgia, North Carolina & South Carolina	CBOT	January (2023) Soybeans	\$13.68/bushel	0.19
<b>Soybeans - Organic Practice</b> Alabama, Florida, Georgia, North Carolina & South Carolina	CBOT	January (2023) Soybeans	\$26.17/bushel	0.19

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

**<sup>2</sup> Projected Prices and Volatility Factors are applicable for Stacked Income Protection (STAX - cotton only), where available.**

**<sup>3</sup> The long grain projected price (conventional practice) is used as the price election under the terms of the Hybrid Seed Rice Crop Provisions.**

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
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<sup>4</sup> 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.

**Margin Protection**

The following 2022 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)

Crop/Type	Exchange	Contract	Margin Projected Price	Volatility Factor
<b>Rice - Long Grain Type &amp; No Type Specified</b> Louisiana	CBOT	September Rice	\$0.145/pound	0.09
<b>Rice - Medium &amp; Short Grain Types</b> Louisiana	CBOT	September Rice	\$0.204/pound	0.09
<b>Rice - Long Grain Type &amp; No Type Specified</b> Arkansas, Mississippi & Texas	CBOT	September <sup>5</sup> Rice	\$0.145/pound <sup>5</sup>	0.10

<b>Crop/Type</b>	<b>Exchange</b>	<b>Contract</b>	<b>Margin Projected Price</b>	<b>Volatility Factor</b>
<b>Rice - Medium &amp; Short Grain Types</b> Arkansas, Mississippi & Texas	CBOT	September <sup>5</sup> Rice	\$0.204/pound <sup>5</sup>	0.10
<b>Rice - Long Grain Type &amp; No Type Specified</b> California & Missouri	CBOT	September <sup>5</sup> Rice	\$0.145/pound <sup>5</sup>	0.11
<b>Rice - Medium &amp; Short Grain Types</b> California	CBOT	September <sup>5</sup> Rice	\$0.255/pound <sup>5</sup>	0.11
<b>Rice - Medium &amp; Short Grain Types</b> Missouri	CBOT	September <sup>5</sup> Rice	\$0.204/pound <sup>5</sup>	0.11

<sup>5</sup> In accordance with the Margin Price Provisions, the CBOT September rice contract is used to derive the projected rice prices since the November contract lacks sufficient volume and open interest activity.

#### **DISPOSAL DATE**

December 31, 2022