

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 ^{1, 2, 3, 4}

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:

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Corn Alabama, Florida, Georgia, Louisiana & South Carolina	CBOT	September Corn	\$5.87/bushel	0.22
Corn - Organic Practice Alabama, Florida, Georgia, Louisiana & South Carolina	CBOT	September Corn	\$11.66/bushel	0.22
Corn Arkansas & Mississippi	CBOT	December Corn	\$5.75/bushel	0.20
Corn - Organic Practice Arkansas & Mississippi	CBOT	December Corn	\$11.42/bushel	0.20
Corn North Carolina	CBOT	December Corn	\$5.75/bushel	0.21
Corn - Organic Practice North Carolina	CBOT	December Corn	\$11.42/bushel	0.21
Corn Arizona, California & Nevada	CBOT	December Corn	\$5.75/bushel	0.23
Corn - Organic Practice Arizona, California & Nevada	CBOT	December Corn	\$11.42/bushel	0.23
Cotton All States	ICE	December Cotton	\$1.02/pound	0.22
Cotton - Organic Practice All States	ICE	December Cotton	\$1.42/pound	0.22
Grain Sorghum Alabama, Florida, Georgia & South Carolina	CBOT	December Corn	\$5.73/bushel	0.20
Grain Sorghum - Organic Practice Alabama, Florida, Georgia & South Carolina	CBOT	December Corn	\$11.97/bushel	0.20
Grain Sorghum Arkansas, Louisiana & Mississippi	CBOT	December Corn	\$5.73/bushel	0.21

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Grain Sorghum - Organic Practice Arkansas, Louisiana & Mississippi	CBOT	December Corn	\$5.73/bushel	0.21
Grain Sorghum Arizona, California & North Carolina	CBOT	December Corn	\$5.73/bushel	0.23
Grain Sorghum - Organic Practice Arizona, California & North Carolina	CBOT	December Corn	\$11.97/bushel	0.23
Peanuts - Runner Type 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
Peanuts - Runner Type 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
Peanuts - Virginia Type Alabama, Florida, Georgia, Mississippi, North Carolina & South Carolina	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2669/pound	0.18
Popcorn March 15 Sales Closing Date Alabama	CBOT	September Corn	\$0.2524/pound	0.22

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

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Rice - Medium/Short Grain Types California	CBOT	September ⁴ Rice	\$0.255/pound ⁴	0.11
Rice - Medium/Short Grain Types; Organic Practice California	CBOT	September ⁴ Rice	\$0.342/pound ⁴	0.11
Rice - Medium/Short Grain Types Oklahoma & Tennessee	CBOT	September ⁴ Rice	\$0.204/pound ⁴	0.11
Rice - Medium/Short Grain Types; Organic Practice Oklahoma & Tennessee	CBOT	September ⁴ Rice	\$0.274/pound ⁴	0.11
Soybeans Arkansas, Louisiana, Mississippi & Texas	CBOT	November Soybeans	\$13.69/bushel	0.20
Soybeans - Organic Practice Arkansas, Louisiana, Mississippi & Texas	CBOT	November Soybeans	\$26.19/bushel	0.20
Soybeans Alabama, Florida, Georgia, North Carolina & South Carolina	CBOT	January (2023) Soybeans	\$13.68/bushel	0.19
Soybeans - Organic Practice Alabama, Florida, Georgia, North Carolina & South Carolina	CBOT	January (2023) Soybeans	\$26.17/bushel	0.19

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

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

³ 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
<p>⁴ 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.</p>				

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-](http://aibpf-rma.fpac.usda.gov/apps/ActuarialInformationBrowser/CropCriteria.aspx)

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

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

Crop/Type	Exchange	Contract	MarginProjected Price	Volatility Factor
Rice - Medium & Short Grain Types Arkansas, Mississippi & Texas	CBOT	September ⁵ Rice	\$0.204/pound ⁵	0.10
Rice - Long Grain Type & No Type Specified California & Missouri	CBOT	September ⁵ Rice	\$0.145/pound ⁵	0.11
Rice - Medium & Short Grain Types California	CBOT	September ⁵ Rice	\$0.255/pound ⁵	0.11
Rice - Medium & Short Grain Types Missouri	CBOT	September ⁵ Rice	\$0.204/pound ⁵	0.11

⁵ 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