

PM-20-011

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Date

February 19, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator John W. Underwood for

Subject

2020 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 1

The 2020 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 2020 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
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Corn Alabama, Florida, Georgia, Louisiana & South Carolina	CBOT	September Corn	\$3.92/bushel	0.14
Corn - Organic Practice Alabama, Florida, Georgia, Louisiana & South Carolina	CBOT	September Corn	\$8.76/bushel	0.14
Corn Arkansas & Mississippi	CBOT	December Corn	\$3.95/bushel	0.13
Corn - Organic Practice Arkansas & Mississippi	CBOT	December Corn	\$8.82/bushel	0.13

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

Common Crop Insurance Policy & Area Risk Protection Insurance 1

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Corn North Carolina	CBOT	December Corn	\$3.95/bushel	0.14
Corn - Organic Practice North Carolina	CBOT	December Corn	\$8.82/bushel	0.14
Corn Arizona, California & Nevada	CBOT	December Corn	\$3.95/bushel	0.15
Corn - Organic Practice Arizona, California & Nevada	CBOT	December Corn	\$8.82/bushel	0.15
Cotton All States	ICE	December Cotton	\$0.70/pound	0.13
Cotton - Organic Practice All States	ICE	December Cotton	\$1.08/pound	0.13
Grain Sorghum Alabama, Florida, Georgia & South Carolina	CBOT	December Corn	\$3.75/bushel	0.13
Grain Sorghum - Organic Practice Alabama, Florida, Georgia & South Carolina	CBOT	December Corn	\$8.24/bushel	0.13
Grain Sorghum Arkansas, Louisiana & Mississippi	CBOT	December Corn	\$3.75/bushel	0.14

Grain Sorghum - Organic Practice Arkansas, Louisiana & Mississippi	CBOT	December Corn	\$8.24/bushel	0.14
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1 Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO) and Stacked Income Protection (STAX - cotton only).

Common Crop Insurance Policy & Area Risk Protection Insurance 1

Crop/Type/Practice/State	Exchange Contract	Projected Price	Volatility Factor
Grain Sorghum Arizona, California & North Carolina	CBOT	December Corn	\$3.75/bushel 0.15
Grain Sorghum - Organic Practice Arizona, California & North Carolina	CBOT	December Corn	\$8.24/bushel 0.15
Peanuts - Runner Type Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina & Texas	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.1989/pound 0.08
Peanuts - Spanish Type Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi & Texas	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2745/pound 0.08
Peanuts - Virginia Type Alabama, Florida, Georgia, Mississippi, North Carolina & South Carolina	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2168/pound 0.08
Popcorn March 15 Sales Closing Date Alabama	CBOT	September Corn	\$0.1686/pound 0.14
Popcorn - Organic Practice March 15 Sales Closing Date Alabama	CBOT	September Corn	\$0.2426/pound 0.14

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

Common Crop Insurance Policy & Area Risk Protection Insurance 1,2,3

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Rice - Long Grain Type Louisiana	CBOT	September Rice	\$0.122/pound	0.10
Rice - Long Grain Type; Organic Practice Louisiana	CBOT	September Rice	\$0.163/pound	0.10
Rice - Medium/Short Grain Types Louisiana	CBOT	September Rice	\$0.149/pound	0.10
Rice - Medium/Short Grain Types; Organic Practice Louisiana	CBOT	September Rice	\$0.199/pound	0.10
Rice - Long Grain Type Arkansas, Mississippi & Texas	CBOT	November Rice	\$0.121/pound	0.13
Rice - Long Grain Type; Organic Practice Arkansas, Mississippi & Texas	CBOT	November Rice	\$0.162/pound	0.13
Rice - Medium/Short Grain Types Arkansas, Mississippi & Texas	CBOT	November Rice	\$0.148/pound	0.13
Rice - Medium/Short Grain Types; Organic Practice Arkansas, Mississippi & Texas	CBOT	November Rice	\$0.197/pound	0.13
Rice - Long Grain Type California, Oklahoma & Tennessee	CBOT	November Rice	\$0.121/pound	0.13
Rice - Long Grain Type; Organic Practice California, Oklahoma & Tennessee	CBOT	November Rice	\$0.162/pound	0.13

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

2 Beginning in the 2020 CY, Illinois and Missouri rice coverage under the Common Crop Insurance Policy is offered for the March 15 sales closing date. The projected prices and volatility factors will be announced in a later memorandum.

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

Common Crop Insurance Policy & Area Risk Protection Insurance 1,2

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Rice - Medium/Short Grain Types California	CBOT	November Rice	\$0.202/pound	0.13
Rice - Medium/Short Grain Types; Organic Practice California	CBOT	November Rice	\$0.271/pound	0.13
Rice - Medium/Short Grain Types Oklahoma & Tennessee	CBOT	November Rice	\$0.148/pound	0.13
Rice - Medium/Short Grain Types; Organic Practice Oklahoma & Tennessee	CBOT	November Rice	\$0.197/pound	0.13
Soybeans Arkansas, Louisiana, Mississippi & Texas	CBOT	November Soybeans	\$9.31/bushel	0.12
Soybeans - Organic Practice Arkansas, Louisiana, Mississippi & Texas	CBOT	November Soybeans	\$18.30/bushel	0.12
Soybeans Alabama, Florida, Georgia, North Carolina & South Carolina	CBOT	January (2021) Soybeans	\$9.36/bushel	0.11
Soybeans - Organic Practice Alabama, Florida, Georgia, North Carolina & South Carolina	CBOT	January (2021) Soybeans	\$18.40/bushel	0.11

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

2 Beginning in the 2020 CY, Illinois and Missouri rice coverage under the Common Crop Insurance Policy is offered for the March 15 sales closing date. The projected prices and volatility factors will be announced in a later memorandum.

Margin Protection Plan The following 2020 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: webapp.rma.usda.gov/apps/actuarialinformationbrowser

Please see the following web page on RMA's public website for program details: www.rma.usda.gov/Policy-and-Procedure/Insurance-Plans/Margin-Protection-for-Corn-Rice-Soybeans-and-Wheat

Crop/Type	Exchange	Contract	Margin Projected Price	Volatility Factor
Rice - Long Grain Type & No Type Specified Louisiana	CBOT	September Rice	\$0.122/pound	0.10
Rice - Medium & Short Grain Types Louisiana	CBOT	September Rice	\$0.149/pound	0.10
Rice - Long Grain Type & No Type Specified Arkansas, Mississippi & Texas	CBOT	November Rice	\$0.121/pound	0.13
Rice - Medium & Short Grain Types Arkansas, Mississippi & Texas	CBOT	November Rice	\$0.148/pound	0.13
Rice - Long Grain Type & No Type Specified California & Missouri	CBOT	November Rice	\$0.121/pound	0.13
Rice - Medium & Short Grain Types California	CBOT	November Rice	\$0.202/pound	0.13

Rice - Medium & Short Grain Types Missouri	CBOT	November Rice	\$0.148/pound	0.13
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DISPOSAL DATE December 31, 2020