

PM-19-005

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Date

January 16, 2019

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator

Subject

2019 Crop Year (CY) Common Crop Insurance Policy and Margin Protection Projected Prices and Volatility Factors

Common Crop Insurance Policy¹

The 2019 CY projected prices shown below are approved for the Yield Protection, Revenue Protection and Revenue Protection with Harvest Price Exclusion plans of insurance. The 2019 CY volatility factors shown below are approved for the Revenue Protection and Revenue Protection with Harvest Price Exclusion plans of insurance. The projected prices and volatility factors apply to policies with a January 31 sales closing date and are applicable for the crops, types, practices and states indicated below:

| Crop/Type/Practice/State | Exchange | Contract | Projected Price | Volatility Factor |
|--|----------|-----------------|-----------------|-------------------|
| Corn Texas | CBOT | September Corn | \$3.96/bu. | 0.14 |
| Corn - Organic Practice ² Texas | CBOT | September Corn | \$9.12/bu. | 0.14 |
| Cotton Texas | ICE | December Cotton | \$0.74/lb. | 0.14 |
| Cotton - Organic Practice ² Texas | ICE | December Cotton | \$1.16/lb. | 0.14 |

| | | | | |
|---|----------|--|----------------------------|------|
| Grain Sorghum Texas | CBOT | September Corn | \$3.90/bu. | 0.14 |
| Grain Sorghum – Organic Practice2 Texas | CBOT | September Corn | \$8.26/bu. | 0.14 |
| Peanuts – Runner Type Texas | CBOT/ICE | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2067/lb. | 0.12 |
| Peanuts – Spanish Type Texas | CBOT/ICE | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2707/lb. | 0.12 |
| Rice – Long Grain Type Texas | CBOT | September Rice | \$0.108/lb. | 0.13 |
| Rice – Medium & Short Grain Types Texas | CBOT | September Rice | \$0.119/lb. | 0.13 |
| Rice – Long Grain Type; Organic Practice Texas | CBOT | September Rice | \$0.145/lb. | 0.13 |
| Rice – Medium & Short Grain Types; Organic Practice Texas | CBOT | September Rice | \$0.159/lb. | 0.13 |
| Soybeans Texas | CBOT | November Soybeans | \$9.46/bu. | 0.12 |
| Soybeans – Organic Practice Texas | CBOT | November Soybeans | Not available ³ | |
| Sunflowers – Oil Type Texas | CBOT | July Soybean Oil | \$0.154/lb. | 0.09 |
| Sunflowers – Oil Type; Organic Practice Texas | CBOT | July Soybean Oil | \$0.276/lb. | 0.09 |
| Sunflowers – Confectionary Type; All Practices Texas | CBOT | July Soybean Oil | \$0.212/lb. | 0.09 |

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

2 For the 2019 CY, organic coverage is not available in all counties covered by the January 31 sales closing date.

3 For the 2019 CY, organic coverage is not available for soybeans in counties covered by the January 31 sales closing date.

Margin Protection

The following 2019 CY margin projected prices and volatility factors are approved for the Margin Protection plan of insurance. 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:

<https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>

Please see the following web page on RMA's public website for program details:

</en/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 Texas | CBOT | September Rice | \$0.108/lb. | 0.13 |
| Rice - Medium & Short Grain Types Texas | CBOT | September Rice | \$0.119/lb. | 0.13 |

DISPOSAL DATE: December 31, 2019