

## **PM-18-055**

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Date

November 15, 2018

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 Organic Rice Price Factor, Organic Cotton Price Premium, and Popcorn Factors

### BACKGROUND:

#### Organic Rice Factor

The Risk Management Agency (RMA) offers distinct organic practice rice prices for many plans of insurance. The definitions and specifications for the rice organic practice prices are provided in the 'Commodity Exchange Price Provisions (CEPP) Section II: Rice' document. The following 2019 CY organic practice price factor will be applied to conventional practice rice prices, as determined in accordance with the CEPP, to derive the organic practice rice prices:

- Organic Practice Rice Price Factor 1.34

#### Organic Cotton Price Premium

The 'Commodity Exchange Price Provisions (CEPP) Section II: Cotton' document, authorizes RMA to derive organic practice cotton prices for many plans of insurance. The following 2019 CY organic practice price premium will be added to the conventional practice cotton prices, as determined in accordance with the CEPP, to

derive the organic practice cotton prices:

- Organic Practice Cotton Price Premium \$0.42 per pound

#### Popcorn Factors

The Popcorn Revenue Coverage (Pilot) Crop Provisions specify that projected and harvest prices shall be the “price for grain type corn determined in accordance with the [CEPP] multiplied by a factor...” The factor converts the conventional per bushel corn price into a per pound popcorn price for the following plans of insurance: Area Yield Protection; SCO Yield Protection; Revenue Protection; Area Revenue Protection; SCO Revenue Protection; Revenue Protection with HPE; Area Revenue Protection with HPE; and SCO Revenue Protection with HPE. The Special Provisions of Insurance contain similar language for the projected price for Yield Protection. The following conversion factor is applicable for the 2019 CY:

- Popcorn Conversion Price Factor 0.0430

RMA offers distinct organic practice prices for popcorn. An organic popcorn factor converts conventional per bushel corn prices into per pound organic popcorn prices for the same plans of insurance specified above. The following conversion factor is applicable for the 2019 CY:

- Organic Practice Popcorn Conversion Price Factor 0.0619