

## **PM-20-066**

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Date

September 15, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 9/15/2020

Subject

2020 Crop Year (CY) Common Crop Insurance Policy Harvest Prices; 2021 CY Common Crop Insurance Policy and Area Risk Protection Insurance Projected Prices and Volatility Factors; 2021 CY Malting Barley Endorsement Price Component; and 2021 CY Margin Protection Plan Projected Prices and Volatility Factors

## **Common Crop Insurance Policy <sup>1</sup>**

The 2020 CY **harvest prices** shown below are approved for the following plans of insurance: Revenue Protection and Revenue Protection with Harvest Price Exclusion.

The harvest prices are applicable for the crop, sales closing date, states and practices indicated in the following table.

| <b>Crop/Sales Closing Date/<br/>State/Practice</b>   | <b>Exchange</b> | <b>Contract</b>  | <b>Harvest<br/>Price</b> |
|--|-----------------|------------------|--------------------------|
| <b>Corn</b><br><b><i>February 28 Sales Closing<br/>Date</i></b><br>Arkansas & Mississippi                    | CBOT            | December<br>Corn | \$3.54/bushel            |
| <b>Corn - Organic Practice</b><br><b><i>February 28 Sales Closing<br/>Date</i></b><br>Arkansas & Mississippi | CBOT            | December<br>Corn | \$7.91/bushel            |

<sup>1</sup> Harvest Prices are applicable for the Supplemental Coverage Option (SCO).

## Common Crop Insurance Policy & Area Risk Protection Insurance <sup>1</sup>

The 2021 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 - Harvest Price Exclusion. The 2021 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 - Harvest Price Exclusion. The projected prices and volatility factors are applicable for the crops, sales closing dates, states, types and practices indicated in the following table.

| Crop/Sales Closing Date/<br>State/Type/Practice   | Exchange | Contract     | Projected Price | Volatility Factor |
|---|----------|--------------|-----------------|-------------------|
| <b>Barley</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Colorado (Winter types), Delaware, Georgia, Illinois, Indiana, Kansas (Winter type), Kentucky, Maryland, Missouri, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas & Virginia | CBOT     | July<br>Corn | \$3.27/bushel   | 0.16              |

| Crop/Sales Closing Date/<br>State/Type/Practice  | Exchange | Contract       | Projected Price | Volatility Factor |
|--|----------|----------------|-----------------|-------------------|
| <b>Barley – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Colorado (Winter types), Delaware, Georgia, Illinois, Indiana, Kansas (Winter type), Kentucky, Maryland, Missouri, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas & Virginia | CBOT     | July Corn      | \$6.99/bushel   | 0.16              |
| <b>Barley</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>New York (Winter type), Pennsylvania (Winter type) & West Virginia  | CBOT     | September Corn | \$3.26/bushel   | 0.16              |
| <b>Barley – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>New York (Winter type), Pennsylvania (Winter type) & West Virginia   | CBOT     | September Corn | \$6.97/bushel   | 0.16              |

| <b>Crop/Sales Closing Date/<br/>State/Type/Practice</b>   | <b>Exchange</b> | <b>Contract</b> | <b>Projected Price</b> | <b>Volatility Factor</b> |
|---|-----------------|-----------------|------------------------|--------------------------|
| <b>Barley</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>California (Winter types), Idaho (Winter types), Oregon (Winter types) & Washington (Winter types)   | CBOT            | September Corn  | \$3.26/bushel          | 0.16                     |
| <b>Barley – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>California (Winter types), Idaho (Winter types), Oregon (Winter types) & Washington (Winter types)  | CBOT            | September Corn  | \$6.97/bushel          | 0.16                     |
| <b>Barley</b><br><b>March 15 Sales Closing Date</b><br>California (Winter types w/o Winter Coverage Endorsement), Idaho (Winter types w/o Winter Coverage Endorsement), Oregon (Winter types w/o Winter Coverage Endorsement) & Washington (Winter types w/o Winter Coverage Endorsement) | CBOT            | September Corn  | \$3.26/bushel          | 0.16                     |

| Crop/Sales Closing Date/<br>State/Type/Practice   | Exchange | Contract       | Projected Price | Volatility Factor |
|---|----------|----------------|-----------------|-------------------|
| <b>Barley – Organic Practice</b><br><b>March 15 Sales Closing Date</b><br>California (Winter types w/o Winter Coverage Endorsement),<br>Idaho (Winter types w/o Winter Coverage Endorsement),<br>Oregon (Winter types w/o Winter Coverage Endorsement) &<br>Washington (Winter types w/o Winter Coverage Endorsement) | CBOT     | September Corn | \$6.97/bushel   | 0.16              |
| <b>Canola - Canola Type</b><br><b>September 30 Sales Closing Date</b><br>Alabama and Georgia  | ICE      | July Canola    | \$0.179/pound   | 0.10              |
| <b>Canola - Rapeseed Type</b><br><b>September 30 Sales Closing Date</b><br>Alabama and Georgia  | ICE      | July Canola    | \$0.237/pound   | 0.00              |

| <b>Crop/Sales Closing Date/<br/>State/Type/Practice</b>  | <b>Exchange</b> | <b>Contract</b>           | <b>Projected Price</b> | <b>Volatility Factor</b> |
|--|-----------------|---------------------------|------------------------|--------------------------|
| <b>Wheat</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Alabama, Arkansas,<br>Florida, Georgia,<br>Kentucky,<br>Louisiana,<br>Mississippi, North<br>Carolina, South<br>Carolina &<br>Tennessee                               | CBOT            | July<br>SRW<br>Wheat      | \$5.54/bushel          | 0.15                     |
| <b>Wheat – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Alabama, Arkansas,<br>Florida, Georgia,<br>Kentucky,<br>Louisiana,<br>Mississippi, North<br>Carolina, South<br>Carolina &<br>Tennessee            | CBOT            | July<br>SRW<br>Wheat      | \$11.46/bushel         | 0.15                     |
| <b>Wheat</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Delaware, Illinois,<br>Indiana, Iowa<br>(Winter), Maryland,<br>Michigan, Missouri,<br>New Jersey, New<br>York, Ohio,<br>Pennsylvania,<br>Virginia & West<br>Virginia | CBOT            | September<br>SRW<br>Wheat | \$5.60/bushel          | 0.15                     |

| Crop/Sales Closing Date/<br>State/Type/Practice   | Exchange | Contract            | Projected Price | Volatility Factor |
|---|----------|---------------------|-----------------|-------------------|
| <b>Wheat – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Delaware, Illinois, Indiana, Iowa (Winter), Maryland, Michigan, Missouri, New Jersey, New York, Ohio, Pennsylvania, Virginia & West Virginia | CBOT     | September SRW Wheat | \$11.58/bushel  | 0.15              |
| <b>Wheat</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Wisconsin (Winter)  | CBOT     | September SRW Wheat | \$5.60/bushel   | 0.16              |
| <b>Wheat – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Wisconsin (Winter)   | CBOT     | September SRW Wheat | \$11.58/bushel  | 0.16              |
| <b>Wheat</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Kansas, New Mexico (Winter & Spring), Oklahoma & Texas (Winter & Spring)  | KCBT     | July HRW Wheat      | \$4.90/bushel   | 0.16              |

| Crop/Sales Closing Date/<br>State/Type/Practice   | Exchange | Contract                  | Projected Price | Volatility Factor |
|---|----------|---------------------------|-----------------|-------------------|
| <b>Wheat – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Kansas, New Mexico (Winter & Spring), Oklahoma & Texas (Winter & Spring) | KCBT     | July<br>HRW<br>Wheat      | \$10.13/bushel  | 0.16              |
| <b>Wheat</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Colorado (Winter), Nebraska (Winter) & South Dakota (Winter)                                | KCBT     | September<br>HRW<br>Wheat | \$4.98/bushel   | 0.16              |
| <b>Wheat – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Colorado (Winter), Nebraska (Winter) & South Dakota (Winter)             | KCBT     | September<br>HRW<br>Wheat | \$10.30/bushel  | 0.16              |
| <b>Wheat</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Montana (Winter) & Wyoming (Winter)   | KCBT     | September<br>HRW<br>Wheat | \$4.98/bushel   | 0.17              |
| <b>Wheat – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Montana (Winter) & Wyoming (Winter)                                      | KCBT     | September<br>HRW<br>Wheat | \$10.30/bushel  | 0.17              |



| <b>Crop/Sales Closing Date/<br/>State/Type/Practice</b>  | <b>Exchange</b> | <b>Contract</b>                                     | <b>Projected Price</b> | <b>Volatility Factor</b> |
|--|-----------------|---|------------------------|--------------------------|
| <b>Wheat</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>California (Winter),<br>Idaho (Winter),<br>Oregon (Winter) &<br>Washington (Winter)  | CBOT            | September<br>SRW<br>Wheat<br>with PME<br>Adjustment | \$6.33/bushel          | 0.16                     |
| <b>Wheat – Organic Practice</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>California (Winter),<br>Idaho (Winter),<br>Oregon (Winter) &<br>Washington (Winter)   | CBOT            | September<br>SRW<br>Wheat<br>with PME<br>Adjustment | \$13.09/bushel         | 0.16                     |
| <b>Wheat</b><br><b>September 30</b><br><b>Sales Closing Date</b><br>Idaho (Spring),<br>Oregon (Spring)* &<br>Washington (Spring)<br><i>* The 2021 CY projected price for Klamath County, Oregon – Spring type will be derived at a later date, using a February 2021 projected price discovery period.</i> | MGE             | September<br>HRS<br>Wheat                           | \$5.68/bushel          | 0.14                     |

| Crop/Sales Closing Date/<br>State/Type/Practice   | Exchange | Contract                                | Projected Price | Volatility Factor |
|---|----------|---|-----------------|-------------------|
| <b>Wheat – Organic Practice</b><br><b>September 30 Sales Closing Date</b><br>Idaho (Spring),<br>Oregon (Spring)* &<br>Washington (Spring)<br><i>* The 2021 CY projected price for Klamath County, Oregon – Spring type will be derived at a later date, using a February 2021 projected price discovery period.</i> | MGE      | September HRS Wheat                     | \$11.75/bushel  | 0.14              |
| <b>Wheat</b><br><b>October 31 Sales Closing Date</b><br>Nevada (Winter) &<br>Utah (Winter)  | CBOT     | September SRW Wheat with PME Adjustment | \$6.33/bushel   | 0.16              |
| <b>Wheat – Organic Practice</b><br><b>October 31 Sales Closing Date</b><br>Nevada (Winter) &<br>Utah (Winter)   | CBOT     | September SRW Wheat with PME Adjustment | \$13.09/bushel  | 0.16              |
| <b>Wheat</b><br><b>October 31 Sales Closing Date</b><br>Nevada (Spring) &<br>Utah (Spring)  | MGE      | September HRS Wheat                     | \$5.68/bushel   | 0.14              |
| <b>Wheat – Organic Practice</b><br><b>October 31 Sales Closing Date</b><br>Nevada (Spring) &<br>Utah (Spring)   | MGE      | September HRS Wheat                     | \$11.75/bushel  | 0.14              |

| Crop/Sales Closing Date/<br>State/Type/Practice   | Exchange | Contract             | Projected Price | Volatility Factor |
|---|----------|----------------------|-----------------|-------------------|
| Wheat – Durum<br>Type<br>September 30<br>Sales Closing Date<br>New Mexico                     | MGE      | July<br>HRS<br>Wheat | \$6.57/bushel   | 0.15              |
| Wheat – Durum<br>Type<br>Organic Practice<br>September 30<br>Sales Closing Date<br>New Mexico | MGE      | July<br>HRS<br>Wheat | \$13.59/bushel  | 0.15              |

<sup>1</sup> Harvest Prices are applicable for the Supplemental Coverage Option (SCO).

## Malting Barley Endorsement

The Malting Barley Endorsement (MBE) utilizes a Chicago Board of Trade (CBOT) soft red wheat price component to derive the 2021 CY projected price for any insured whose malt barley contract provides for a premium amount above or below a base price to be determined, and whose base price is not determined by the acreage reporting date. Please see the MBE for details:

<https://www.rma.usda.gov/-/media/RMAweb/Policies/Small-Grains/2017/Small-Grains-Crop-Provisions-17-0011/Malting-Barley-Endorsement-21-0091b.ashx>

| Malt Barley Type     | Exchange | Contract                  | Projected Price Component | Volatility Factor |
|----------------------|----------|---------------------------|---------------------------|-------------------|
| Fall Planted<br>Type | CBOT     | September<br>SRW<br>Wheat | \$5.60/bushel             | 0.16              |

## Margin Protection Plan

The following 2021 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:

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

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

<https://www.rma.usda.gov/en/Policy-and-Procedure/Insurance-Plans/Margin-Protection-for-Corn-Rice-Soybeans-and-Wheat>

| Crop/States/Type                                   | Exchange | Contract                  | Margin<br>Projected<br>Price | Volatility<br>Factor |
|--|----------|---------------------------|------------------------------|----------------------|
| <b>Corn – Grain<br/>Type</b><br>All Insured States | CBOT     | December<br>Corn          | \$3.82/bushel                | 0.16                 |
| <b>Soybeans</b><br>All Insured States              | CBOT     | November<br>Soybeans      | \$9.36/bushel                | 0.13                 |
| <b>Wheat</b><br>All Insured States                 | MGE      | September<br>HRS<br>Wheat | \$5.68/bushel                | 0.14                 |

**DISPOSAL DATE**

December 31, 2021