

## **PM-18-008**

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Date

February 15, 2018

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator

Subject

2018 Crop Year (CY) Common Crop Insurance Policy, Area Risk Protection Insurance and Margin Protection Plan Projected Prices and Volatility Factors

The 2018 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 2018 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	\$3.82/bushel	0.14

Corn - Organic Practice Alabama, Florida, Georgia, Louisiana & South Carolina	CBOT	September Corn	\$8.75/bushel	0.14
Corn Arkansas & Mississippi	CBOT	December Corn	\$3.91/bushel	0.14
Corn - Organic Practice Arkansas & Mississippi	CBOT	December Corn	\$8.95/bushel	0.14
Corn North Carolina	CBOT	December Corn	\$3.91/bushel	0.14
Corn - Organic Practice North Carolina	CBOT	December Corn	\$8.95/bushel	0.14
Corn Arizona, California & Nevada	CBOT	December Corn	\$3.91/bushel	0.15
Corn - Organic Practice Arizona, California & Nevada	CBOT	December Corn	\$8.95/bushel	0.15
Cotton All States	ICE	December Cotton	\$0.75/pound	0.14
Cotton - Organic Practice All States	ICE	December Cotton	\$1.15/pound	0.14
Grain Sorghum Alabama, Florida, Georgia & South Carolina	CBOT	December Corn	\$3.78/bushel	0.13
Grain Sorghum - Organic Practice Alabama, Florida, Georgia & South Carolina	CBOT	December Corn	\$8.15/bushel	0.13
Grain Sorghum Arkansas, Louisiana & Mississippi	CBOT	December Corn	\$3.78/bushel	0.14
Grain Sorghum - Organic Practice Arkansas, Louisiana & Mississippi	CBOT	December Corn	\$8.15/bushel	0.14
Grain Sorghum Arizona, California & North Carolina	CBOT	December Corn	\$3.78/bushel	0.15
Grain Sorghum - Organic Practice Arizona, California & North Carolina	CBOT	December Corn	\$8.15/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	\$0.1961/pound	0.12
Peanuts – Spanish Type Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi & Texas	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2569/pound	0.12
Peanuts – Virginia Type Alabama, Florida, Georgia, Mississippi, North Carolina & South Carolina	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2216/pound	0.12
Popcorn March 15 Sales Closing Date Alabama	CBOT	September Corn	\$0.1643/pound	0.14
Popcorn – Organic Practice March 15 Sales Closing Date Alabama	CBOT	September Corn	\$0.2365/pound	0.14
Rice – Long Grain Type3 Louisiana	CBOT	September Rice	\$0.119/pound	0.11
Rice – Long Grain Type; Organic Practice Louisiana	CBOT	September Rice	\$0.159/pound	0.11
Rice – Medium/Short Grain Types Louisiana	CBOT	September Rice	\$0.131/pound	0.11
Rice – Medium/Short Grain Types; Organic Practice Louisiana	CBOT	September Rice	\$0.175/pound	0.11
Rice – Long Grain Type3 Arkansas, Mississippi & Texas	CBOT	September Rice	\$0.119/pound	0.12
Rice – Long Grain Type; Organic Practice Arkansas, Mississippi & Texas	CBOT	September Rice	\$0.159/pound	0.12

Rice - Medium/Short Grain Types Arkansas, Mississippi & Texas	CBOT	September Rice	\$0.131/pound	0.12
Rice - Medium/Short Grain Types; Organic Practice Arkansas, Mississippi & Texas	CBOT	September Rice	\$0.175/pound	0.12
Rice - Long Grain Type California, Illinois, Missouri, Oklahoma & Tennessee	CBOT	September Rice	\$0.119/pound	0.13
Rice - Long Grain Type; Organic Practice California, Illinois, Missouri, Oklahoma & Tennessee	CBOT	September Rice	\$0.159/pound	0.13

1 Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO). 2 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. See the relevant [CEPP document](#) for details. 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
Rice - Medium/Short Grain Types California	CBOT	September Rice	\$0.173/pound	0.13
Rice - Medium/Short Grain Types; Organic Practice California	CBOT	September Rice	\$0.231/pound	0.13
Rice - Medium/Short Grain Types Illinois, Missouri, Oklahoma & Tennessee	CBOT	September Rice	\$0.131/pound	0.13
Rice - Medium/Short Grain Types; Organic Practice Illinois, Missouri, Oklahoma & Tennessee	CBOT	September Rice	\$0.175/pound	0.13
Soybeans Arkansas, Louisiana, Mississippi & Texas	CBOT	November Soybeans	\$10.04/bushel	0.13

Soybeans - Organic Practice Arkansas, Louisiana, Mississippi & Texas	CBOT	November Soybeans	\$20.25/bushel	0.13
Soybeans Alabama, Florida, Georgia, North Carolina & South Carolina	CBOT	January (2019) Soybeans	\$10.09/bushel	0.13
Soybeans - Organic Practice Alabama, Florida, Georgia, North Carolina & South Carolina	CBOT	January (2019) Soybeans	\$20.35/bushel	0.13

The following 2018 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 on RMA's [Actuarial Information Browser](#). Please see the [Margin Protection](#) policies page on RMA's public website for more information.

Crop/Type	Exchange	Contract	Margin Projected Price
Rice - Long Grain Type & No Type Specified Louisiana	CBOT	September Rice	\$0.119/pou
Rice - Medium & Short Grain Types Louisiana	CBOT	September Rice	\$0.131/pou
Rice - Long Grain Type & No Type Specified Arkansas, Mississippi & Texas	CBOT	September Rice	\$0.119/pou
Rice - Medium & Short Grain Types Arkansas, Mississippi & Texas	CBOT	September Rice	\$0.131/pou
Rice - Medium & Short Grain Types California	CBOT	September Rice	\$0.173/pou
Rice - Medium & Short Grain Types Missouri	CBOT	September <sup>1</sup> Rice	\$0.131/pou

<sup>1</sup> In accordance with the Margin Price Provisions (MPP), the CBOT September rice contract is used to derive the projected rice prices since the November contract lacks sufficient volume and open interest activity. See the relevant [MPP document](#) for details.