

PM-16-017

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Date

March 1, 2016

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Tim B. Witt, Deputy Administrator /s/ Tim B. Witt

Subject

2016 Crop Year (CY) Common Crop Insurance Policy and Area Risk Protection Insurance Projected Prices and Volatility Factors; Malting Barley Endorsement Projected Price Component and Volatility Factor; and Hybrid Seed Price Endorsement - Hybrid Seed Corn Prices

Common Crop Insurance Policy & Area Risk Protection Insurance ¹

The 2016 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 2016 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 apply to policies with a **March 15 sales closing date, unless otherwise indicated**, and are applicable for the crops, practices, types and states indicated below:

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Barley <i>Kansas</i>	CBOT	July Corn	\$3.26/bushel	0.11
Barley Organic Practice <i>Kansas</i>	CBOT	July Corn	\$5.89/bushel	0.11
Barley <i>Iowa, Nebraska, New York & Pennsylvania</i>	CBOT	September Corn	\$3.31/bushel	0.15
Barley - Organic Practice <i>Iowa, Nebraska, New York & Pennsylvania</i>	CBOT	September Corn	\$6.06/bushel	0.15
Barley <i>Colorado, Idaho, Maine, Michigan, Minnesota, Nevada, North Dakota, Oregon, South Dakota, Utah, Vermont, West Virginia Wisconsin & Wyoming</i>	CBOT	September Corn	\$3.31/bushel	0.16
Barley - Organic Practice <i>Colorado, Idaho, Maine, Michigan, Minnesota, Nevada, North Dakota, Oregon, South Dakota, Utah, Vermont, West Virginia Wisconsin & Wyoming</i>	CBOT	September Corn	\$6.06/bushel	0.16
Barley <i>Alaska</i>	CBOT	December Corn	\$3.87/bushel	0.16
Barley - Organic Practice <i>Alaska</i>	CBOT	December Corn	\$8.08/bushel	0.16

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Barley <i>California</i>	CBOT	December Corn	\$3.38/bushel	0.16
Barley - Organic Practice <i>California</i>	CBOT	December Corn	\$6.19/bushel	0.16
Barley (March 15 Sales Closing Date, Winter Types without Winter Coverage Endorsement) <i>Idaho, Oregon & Washington (previously released 9/17/2015)</i>	CBOT	September Corn	\$3.43/bushel	0.24
Barley – Organic Practice (March 15 Sales Closing Date, Winter Types without Winter Coverage Endorsement) <i>Idaho, Oregon & Washington (previously released 9/17/2015)</i>	CBOT	September Corn	\$6.28/bushel	0.24
Barley (September 30 Sales Closing Date, Spring Type) <i>Kansas</i>	CBOT	July Corn	\$3.26/bushel	0.11
Barley – Organic Practice (September 30 Sales Closing Date, Spring Type) <i>Kansas</i>	CBOT	July Corn	\$5.98/bushel	0.11

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Barley (September 30 Sales Closing Date, Spring Types) <i>New York & Pennsylvania</i>	CBOT	September Corn	\$3.31/bushel	0.15
Barley – Organic Practice (September 30 Sales Closing Date, Spring Types) <i>New York & Pennsylvania</i>	CBOT	September Corn	\$6.06/bushel	0.15
Barley (September 30 Sales Closing Date, Spring Types) <i>Colorado, Idaho, Oregon & Washington</i>	CBOT	September Corn	\$3.31/bushel	0.16
Barley – Organic Practice (September 30 Sales Closing Date, Spring Types) <i>Colorado, Idaho, Oregon & Washington</i>	CBOT	September Corn	\$6.06/bushel	0.16
Barley (October 31 Sales Closing Date, Spring Types) <i>Nevada & Utah</i>	CBOT	September Corn	\$3.31/bushel	0.16
Barley – Organic Practice (October 31 Sales Closing Date, Spring Types) <i>Nevada & Utah</i>	CBOT	September Corn	\$6.06/bushel	0.16

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Canola <i>All States</i>	ICE	November Canola	\$0.158/pound	0.11
Canola - Rapeseed Type <i>All State</i>	ICE	November Canola	\$0.203/pound	0.00
Canola (August 31 Sales Closing Date, Spring Type(s)) <i>Idaho, Oregon & Washington</i>	ICE	November Canola	\$0.158/pound	0.11
Canola - Rapeseed Type (August 31 Sales Closing Date, Spring Type(s)) <i>Idaho, Oregon & Washington</i>	ICE	November Canola	\$0.203/pound	0.00
Corn <i>Oklahoma & Texas</i>	CBOT	December Corn	3.86/bushel	0.16
Corn - Organic Practice <i>Oklahoma & Texas</i>	CBOT	December Corn	8.42/bushel	0.16

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Corn <i>Colorado, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia, West Virginia, Wisconsin & Wyoming</i>	CBOT	December Corn	\$3.86/bushel	0.17
Corn - Organic Practice <i>Colorado, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Tennessee, Utah, Vermont, Virginia, West Virginia, Wisconsin & Wyoming</i>	CBOT	December Corn	\$8.42/bushel	0.17
Corn – High Amylose Type <i>Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska & South Dakota</i>	CBOT	December Corn	\$5.40/bushel	0.17

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Corn <i>Idaho, Michigan, Oregon & Washington</i>	CBOT	December Corn	\$8.42/bushel	0.19
Corn - Organic Practice <i>Idaho, Michigan, Oregon & Washington</i>	CBOT	December Corn	\$8.42/bushel	0.19
Cotton <i>Missouri, Tennessee, Texas & Virginia</i>	ICE	December Cotton	\$0.60/pound	0.14
Cotton - Organic Practice <i>Missouri, Tennessee, Texas & Virginia</i>	ICE	December Cotton	\$1.20/pound	0.14
Cotton <i>Kansas, New Mexico & Oklahoma</i>	ICE	December Cotton	\$0.60/pound	0.15
Cotton - Organic Practice <i>Kansas, New Mexico & Oklahoma</i>	ICE	December Cotton	\$1.20/pound	0.15
Grain Sorghum <i>Texas</i>	CBOT	December Corn	\$3.72/bushel	0.16
Grain Sorghum – Organic Practice <i>Texas</i>	CBOT	December Corn	\$5.69/bushel	0.16
Grain Sorghum <i>All States, except Texas</i>	CBOT	December Corn	\$3.72/bushel	0.17
Grain Sorghum – Organic Practice <i>All States, except Texas</i>	CBOT	December Corn	\$5.69/bushel	0.17

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Peanuts - Runner Type <i>New Mexico, Oklahoma, Texas & Virginia</i>	CBOT/ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2045/pound	0.10
Peanuts - Spanish Type <i>New Mexico, Oklahoma & Texas</i>	CBOT/ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2863/pound	0.10
Peanuts - Valencia Type <i>New Mexico, Oklahoma & Texas</i>	CBOT/ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2454/pound	0.10
Peanuts - Virginia Type <i>New Mexico, Oklahoma, Texas & Virginia</i>	CBOT/ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2454/pound	0.10
Popcorn <i>Alabama (previously released: 2/16/2016)</i>	CBOT	September Corn	\$0.1676/pound	0.17
Popcorn - Organic Practice <i>Alabama (previously released: 2/16/2016)</i>	CBOT	September Corn	\$0.2416/pound	0.17

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Popcorn <i>All States, except Alabama & Michigan</i>	CBOT	December Corn	\$0.1698/pound	0.17
Popcorn - Organic Practice <i>All States, except Alabama & Michigan</i>	CBOT	December Corn	\$0.2447/pound	0.17
Popcorn <i>Michigan</i>	CBOT	December Corn	\$0.1698/pound	0.19
Popcorn - Organic Practice <i>Michigan</i>	CBOT	December Corn	\$0.2447/pound	0.19
Soybeans <i>Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont, Washington & Wisconsin</i>	CBOT	November Soybeans	\$8.85/bushel	0.12
Soybeans - Organic Practice <i>Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont, Washington & Wisconsin</i>	CBOT	November Soybeans	16.85/bushel	0.12

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Soybeans <i>Delaware, Maryland, Oklahoma, Virginia & West Virginia</i>	CBOT	January (2017) Soybeans	\$8.90/bushel	0.13
Soybeans - Organic Practice <i>Delaware, Maryland, Oklahoma, Virginia & West Virginia</i>	CBOT	January (2017) Soybeans	\$16.95/bushel	0.13
Sunflowers - Oil Type <i>All States</i>	CBOT	December Soybean Oil	\$0.169/pound	0.14
Sunflowers - Oil Type; Organic Practice <i>All States</i>	CBOT	December Soybean Oil	\$0.230/pound	0.14
Sunflowers - Confectionary Type <i>All States</i>	CBOT	December Soybean Oil	\$0.267/pound	0.14
Wheat - All Types Except Durum <i>Alaska, California, Colorado, Iowa, Maine, Minnesota, Montana, Nebraska, North Dakota, Oregon [Klamath County only], South Dakota, Vermont, Wisconsin & Wyoming</i>	MGE	September HRS Wheat	\$5.13/bushel	0.15

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Wheat - All Types Except Durum; Organic Practice <i>Alaska, California, Colorado, Iowa, Maine, Minnesota, Montana, Nebraska, North Dakota, Oregon [Klamath County only], South Dakota, Vermont, Wisconsin & Wyoming</i>	MGE	September HRS Wheat	\$9.47/bushel	0.15
Wheat - Durum Type <i>Montana, North Dakota & South Dakota</i>	MGE	September HRS Wheat	\$5.72/bushel	0.15
Wheat - Durum Type; Organic Practice <i>Montana, North Dakota & South Dakota</i>	MGE	September HRS Wheat	\$5.13/bushel	0.15
Wheat (September 30 Sales Closing Date, Spring Type) <i>California, Colorado, Iowa, Montana (including Khorasan), Nebraska, Oregon (Klamath County only), South Dakota, Wisconsin & Wyoming</i>	MGE	September HRS Wheat	\$9.47/bushel	0.15

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Wheat – Organic Practice (September 30 Sales Closing Date, Spring Type) <i>California, Colorado, Iowa, Montana (including Khorasan), Nebraska, Oregon (Klamath County only), South Dakota, Wisconsin & Wyoming</i>	MGE	September HRS Wheat	\$9.47/bushel	0.15

¹ **Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO) and Stacked Income Protection (STAX – cotton only).**

Malting Barley Endorsement

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

Please see the MBE for details: www.rma.usda.gov/policy-procedure/crop-policies/malting-barley-endorsement-16-0091b

Malting Barley Type	Exchange	Contract	Projected Price	Volatility Factor
Spring Planted Type	CBOT	September SRW Wheat	\$4.81/bushel	0.17

Hybrid Seed Price Endorsement

The following 2016 CY hybrid seed corn prices have been approved for the Hybrid Seed Price Endorsement: **\$3.87 per bushel** for the non-organic practice; and **\$8.42 per bushel** for the certified organic practice.

These amounts reflect the higher values of either: 1) the previously-released 2016 crop year MPCl hybrid seed corn price elections [non-organic practice: \$3.87 per bushel; certified organic practice: \$8.35 per bushel]; or 2) the futures-based price derived from the average daily settlement price in February for the 2016 December CBOT corn contract [non-organic practice: \$3.86 per bushel], multiplied by an organic corn price factor [certified organic practice: \$8.42 per bushel].

DISPOSAL DATE

December 31, 2016