

## **PM-22-019**

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Date

March 1, 2022

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 3/1/2022

Subject

2022 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, 2, 3**

The Risk Management Agency (RMA) approved the 2022 CY **projected prices** shown below 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. RMA approved the 2022 CY **volatility factors** shown below 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 **March 15 sales closing date, unless otherwise indicated**, and apply for the crops, practices, types, and states indicated below:

| <b>Crop/Practice/Type/State</b>    | <b>Exchange</b> | <b>Contract</b> | <b>Projected Price</b> | <b>Volatility Factor</b> |
|------------------------------------|-----------------|-----------------|------------------------|--------------------------|
| <b>Barley</b> Kansas (Spring type) | CBOT            | July Corn       | \$5.70/bushel          | 0.18                     |

| <b>Crop/Practice/Type/State</b>  | <b>Exchange</b> | <b>Contract</b> | <b>Projected Price</b> | <b>Volatility Factor</b> |
|--|-----------------|-----------------|------------------------|--------------------------|
| <b>Barley - Organic Practice</b><br>Kansas (Spring type)   | CBOT            | July Corn       | \$12.19/bushel         | 0.18                     |
| <b>Barley</b> Iowa, Nebraska, New York<br>(Spring type) & Pennsylvania<br>(Spring type)  | CBOT            | September Corn  | \$5.35/bushel          | 0.20                     |
| <b>Barley - Organic Practice</b> Iowa,<br>Nebraska, New York (Spring type) & Pennsylvania (Spring type)  | CBOT            | September Corn  | \$11.43/bushel         | 0.20                     |
| <b>Barley</b> California (Spring types),<br>Colorado (Spring types), Idaho<br>(Spring types), Maine, Michigan,<br>Minnesota, Montana, Nevada,<br>North Dakota, Oregon (Spring<br>types), South Dakota, Utah,<br>Vermont, Washington (Spring<br>types), Wisconsin & Wyoming                       | CBOT            | September Corn  | \$5.35/bushel          | 0.22                     |
| <b>Barley - Organic Practice</b><br>California (Spring types),<br>Colorado (Spring types), Idaho<br>(Spring types), Maine, Michigan,<br>Minnesota, Montana, Nevada,<br>North Dakota, Oregon (Spring<br>types), South Dakota, Utah,<br>Vermont, Washington (Spring<br>types), Wisconsin & Wyoming | CBOT            | September Corn  | \$11.43/bushel         | 0.22                     |
| <b>Barley</b> Alaska   | CBOT            | December Corn   | \$7.75/bushel          | 0.21                     |
| <b>Barley - Organic Practice</b><br>Alaska   | CBOT            | December Corn   | \$16.52/bushel         | 0.21                     |

| <b>Crop/Practice/Type/State</b>   | <b>Exchange</b> | <b>Contract</b> | <b>Projected Price</b> | <b>Volatility Factor</b> |
|---|-----------------|-----------------|------------------------|--------------------------|
| <b>Barley (March 15 Sales Closing Date, Winter Types without Winter Coverage Endorsement)</b> California, Idaho, Oregon & Washington (previously released 9/15/2021)                    | CBOT            | September Corn  | \$4.55/bushel          | 0.21                     |
| <b>Barley - Organic Practice (March 15 Sales Closing Date, Winter Types without Winter Coverage Endorsement)</b> California, Idaho, Oregon & Washington (previously released 9/15/2021) | CBOT            | September Corn  | \$9.73/bushel          | 0.21                     |
| <b>Barley (September 30 Sales Closing Date, Spring Type)</b> Kansas   | CBOT            | July Corn       | \$5.70/bushel          | 0.18                     |
| <b>Barley - Organic Practice (September 30 Sales Closing Date, Spring Type)</b> Kansas  | CBOT            | July Corn       | \$12.19/bushel         | 0.18                     |
| <b>Barley (September 30 Sales Closing Date, Spring Types)</b> New York & Pennsylvania   | CBOT            | September Corn  | \$5.35/bushel          | 0.20                     |
| <b>Barley - Organic Practice (September 30 Sales Closing Date, Spring Types)</b> New York & Pennsylvania  | CBOT            | September Corn  | \$11.43/bushel         | 0.20                     |
| <b>Barley (September 30 Sales Closing Date, Spring Types)</b> California, Colorado, Idaho, Oregon & Washington  | CBOT            | September Corn  | \$5.35/bushel          | 0.22                     |

| <b>Crop/Practice/Type/State</b>   | <b>Exchange</b> | <b>Contract</b> | <b>Projected Price</b> | <b>Volatility Factor</b> |
|---|-----------------|-----------------|------------------------|--------------------------|
| <b>Barley - Organic Practice (September 30 Sales Closing Date, Spring Types)</b> California, Colorado, Idaho, Oregon & Washington | CBOT            | September Corn  | \$11.43/bushel         | 0.22                     |
| <b>Barley (October 31 Sales Closing Date, Spring Types)</b> Nevada & Utah   | CBOT            | September Corn  | \$5.35/bushel          | 0.22                     |
| <b>Barley - Organic Practice (October 31 Sales Closing Date, Spring Types)</b> Nevada & Utah                                      | CBOT            | September Corn  | \$11.43/bushel         | 0.22                     |
| <b>Canola</b> All States  | ICE             | November Canola | \$0.303/pound          | 0.17                     |
| <b>Canola - Rapeseed Type</b> All States  | ICE             | November Canola | \$0.423/pound          | 0.00                     |
| <b>Canola - Rapeseed Type</b> All States  | ICE             | November Canola | \$0.423/pound          | 0.00                     |
| <b>Canola - Rapeseed Type (August 31 Sales Closing Date, Spring Type(s))</b> Idaho, Oregon & Washington                           | ICE             | November Canola | \$0.423/pound          | 0.00                     |
| <b>Corn</b> Oklahoma & Texas  | CBOT            | December Corn   | \$5.90/bushel          | 0.21                     |
| <b>Corn - Organic Practice</b> Oklahoma & Texas   | CBOT            | December Corn   | \$11.72/bushel         | 0.21                     |

| Crop/Practice/Type/State   | Exchange | Contract      | Projected Price | Volatility Factor |
|--|----------|---------------|-----------------|-------------------|
| <b>Corn</b> 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                    | CBOT     | December Corn | \$5.90/bushel   | 0.23              |
| <b>Corn - Organic Practice</b> 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 | CBOT     | December Corn | \$11.72/bushel  | 0.23              |
| <b>Corn</b> Idaho, Michigan, Oregon & Washington   | CBOT     | December Corn | \$5.90/bushel   | 0.24              |
| <b>Corn - Organic Practice</b> Idaho, Michigan, Oregon & Washington  | CBOT     | December Corn | \$11.72/bushel  | 0.24              |
| <b>Corn - High Amylose Type</b> Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska & South Dakota   | CBOT     | December Corn | \$8.26/bushel   | 0.23              |

| <b>Crop/Practice/Type/State</b>  | <b>Exchange</b> | <b>Contract</b>                                    | <b>Projected Price</b> | <b>Volatility Factor</b> |
|--|-----------------|--|------------------------|--------------------------|
| <b>Cotton<sup>2</sup></b> Missouri, Tennessee, Texas & Virginia                    | ICE             | December Cotton                                    | \$1.03/pound           | 0.22                     |
| <b>Cotton<sup>2</sup></b> – Organic Practice Missouri, Tennessee, Texas & Virginia | ICE             | December Cotton                                    | \$1.43/pound           | 0.22                     |
| <b>Cotton<sup>2</sup></b> Kansas, New Mexico & Oklahoma                            | ICE             | December Cotton                                    | \$1.03/pound           | 0.23                     |
| <b>Cotton<sup>2</sup></b> – Organic Practice Kansas, New Mexico & Oklahoma         | ICE             | December Cotton                                    | \$1.43/pound           | 0.23                     |
| <b>Grain Sorghum</b> Texas   | CBOT            | December Corn                                      | \$5.88/bushel          | 0.21                     |
| <b>Grain Sorghum - Organic Practice</b> Texas                                      | CBOT            | December Corn                                      | \$12.28/bushel         | 0.21                     |
| <b>Grain Sorghum</b> All States, except Texas                                      | CBOT            | December Corn                                      | \$5.88/bushel          | 0.23                     |
| <b>Grain Sorghum - Organic Practice</b> All States, except Texas                   | CBOT            | December Corn                                      | \$12.28/bushel         | 0.23                     |
| <b>Peanuts - Runner Type</b> New Mexico, Oklahoma, Texas & Virginia                | CBOT/ICE        | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2399/pound         | 0.18                     |
| <b>Peanuts - Spanish Type</b> New Mexico, Oklahoma & Texas                         | CBOT/ICE        | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.4366/pound         | 0.18                     |

| Crop/Practice/Type/State   | Exchange | Contract   | Projected Price | Volatility Factor |
|--|----------|--|-----------------|-------------------|
| <b>Peanuts - Valencia Type</b> New Mexico, Oklahoma & Texas                | CBOT/ICE | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2663/pound  | 0.18              |
| <b>Peanuts - Virginia Type</b> New Mexico, Oklahoma, Texas & Virginia      | CBOT/ICE | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2663/pound  | 0.18              |
| <b>Popcorn</b> Alabama (previously released: 2/15/2022)                    | CBOT     | September Corn                                     | \$0.2524/pound  | 0.22              |
| <b>Popcorn - Organic Practice</b> Alabama (previously released: 2/15/2022) | CBOT     | September Corn                                     | \$0.3634/pound  | 0.22              |
| <b>Popcorn</b> All States, except Alabama & Michigan                       | CBOT     | December Corn                                      | \$0.2537/pound  | 0.23              |
| <b>Popcorn - Organic Practice</b> All States, except Alabama & Michigan    | CBOT     | December Corn                                      | \$0.3652/pound  | 0.23              |
| <b>Popcorn</b> Michigan  | CBOT     | December Corn                                      | \$0.2537/pound  | 0.24              |
| <b>Popcorn - Organic Practice</b> Michigan                                 | CBOT     | December Corn                                      | \$0.3652/pound  | 0.24              |
| <b>Rice - Long Grain Type</b> Illinois & Missouri                          | CBOT     | September Rice3                                    | \$0.148/pound   | 0.11              |
| <b>Rice - Long Grain Type; Organic Practice</b> Illinois & Missouri        | CBOT     | September Rice3                                    | \$0.198/pound   | 0.11              |

| <b>Crop/Practice/Type/State</b>   | <b>Exchange</b> | <b>Contract</b>         | <b>Projected Price</b> | <b>Volatility Factor</b> |
|---|-----------------|-------------------------|------------------------|--------------------------|
| <b>Rice - Medium/Short Grain Types</b> Illinois & Missouri  | CBOT            | September Rice3         | \$0.209/pound          | 0.11                     |
| <b>Rice - Medium/Short Grain Types; Organic Practice</b> Illinois & Missouri  | CBOT            | September Rice3         | \$0.280/pound          | 0.11                     |
| <b>Soybeans</b> Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont, Washington & Wisconsin                    | CBOT            | November Soybeans       | \$14.33/bushel         | 0.19                     |
| <b>Soybeans - Organic Practice</b> Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont, Washington & Wisconsin | CBOT            | November Soybeans       | \$27.41/bushel         | 0.19                     |
| <b>Soybeans</b> Delaware, Maryland, Oklahoma, Virginia & West Virginia  | CBOT            | January (2023) Soybeans | \$14.30/bushel         | 0.20                     |
| <b>Soybeans - Organic Practice</b> Delaware, Maryland, Oklahoma, Virginia & West Virginia   | CBOT            | January (2023) Soybeans | \$27.36/bushel         | 0.20                     |
| <b>Sunflowers - Oil Type</b> All States   | CBOT            | December Soybean Oil    | \$0.324/pound          | 0.22                     |



| Crop/Practice/Type/State  | Exchange | Contract             | Projected Price | Volatility Factor |
|---|----------|----------------------|-----------------|-------------------|
| <b>Sunflowers - Confectionery Type</b> All States   | CBOT     | December Soybean Oil | \$0.405/pound   | 0.22              |
| <b>Sunflowers - Oil &amp; Confectionery Types; Organic Practice</b> All States  | CBOT     | December Soybean Oil | \$0.590/pound   | 0.22              |
| <b>Wheat - All Types Except Durum</b> Alaska, California, Colorado, Iowa, Maine, Minnesota, Montana, Nebraska, North Dakota, Oregon (Klamath County only), South Dakota, Vermont, Wisconsin & Wyoming                   | MGE      | September HRS Wheat  | \$9.19/bushel   | 0.23              |
| <b>Wheat - All Types Except Durum; Organic Practice</b> Alaska, California, Colorado, Iowa, Maine, Minnesota, Montana, Nebraska, North Dakota, Oregon (Klamath County only), South Dakota, Vermont, Wisconsin & Wyoming | MGE      | September HRS Wheat  | \$18.66/bushel  | 0.23              |
| <b>Wheat - Durum Type</b> Montana, North Dakota & South Dakota  | MGE      | September HRS Wheat  | \$9.44/bushel   | 0.23              |
| <b>Wheat - Durum Type; Organic Practice</b> Montana, North Dakota & South Dakota  | MGE      | September HRS Wheat  | \$19.17/bushel  | 0.23              |
| <b>Wheat (September 30 Sales Closing Date, Spring Type)</b> California, Colorado, Iowa, Montana (including Khorasan), Nebraska, Oregon (Klamath County only), South Dakota, Wisconsin & Wyoming                         | MGE      | September HRS Wheat  | \$9.19/bushel   | 0.23              |

| Crop/Practice/Type/State  | Exchange | Contract            | Projected Price | Volatility Factor |
|---|----------|---------------------|-----------------|-------------------|
| <b>Wheat - Organic Practice</b>   |          |                     |                 |                   |
| <b>(September 30 Sales Closing Date, Spring Type)</b> California, Colorado, Iowa, Montana (including Khorasan), Nebraska, Oregon (Klamath County only), South Dakota, Wisconsin & Wyoming |          |                     |                 |                   |
|   | MGE      | September HRS Wheat | \$18.66/bushel  | 0.23              |

<sup>1</sup> Projected Prices and Volatility Factors apply for the Enhanced Coverage Option (ECO) and the Supplemental Coverage Option (SCO), where available.

<sup>2</sup> Projected Prices and Volatility Factors apply for Stacked Income Protection (STAX - cotton only).

<sup>3</sup> In accordance with the Commodity Exchange Price Provisions (CEPP), RMA used the CBOT September rice contract to derive the projected rice prices since the November contract lacks sufficient volume and open interest activity.

### 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.

| Malting Barley Type | Exchange | Contract            | Projected Price | Volatility Factor |
|---------------------|----------|---------------------|-----------------|-------------------|
| Spring Planted Type | CBOT     | September SRW Wheat | \$8.06/bushel   | 0.24              |

### Hybrid Seed Price Endorsement

RMA approved the following 2022 CY hybrid seed corn prices for the Hybrid Seed Price Endorsement: **\$5.90 per bushel** for the non-organic practice; and **\$11.72 per bushel** for the certified organic practice.

These amounts reflect the higher values of either: 1) the previously-released 2022 crop year MPCI hybrid seed corn price elections [non-organic practice: \$5.19 per bushel; certified organic practice: \$10.12 per bushel]; or 2) the futures-based prices derived from the average daily settlement price in February for the 2022 December CBOT corn contract [non-organic practice: \$5.90 per bushel], multiplied by an organic corn price factor [certified organic practice: \$11.72 per bushel].

**DISPOSAL DATE**

December 31, 2022