

## **PM-15-035 Margin Protection Plan of Insurance - 2016 and Succeeding Crop Years**

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Date

July 8, 2015

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

Margin Protection Plan of Insurance - 2016 and Succeeding Crop Years

### **Background**

The Federal Crop Insurance Corporation Board of Directors approved the Margin Protection (MP) Plan of Insurance for corn, wheat, rice and soybeans on June 24, 2014. The MP plan of insurance is a privately developed product that was approved under section 508(h) of the Federal Crop Insurance Act. The table below shows the crops and states where MP will be available.

| <b>Rice (select counties)</b> | <b>Corn (all counties)</b> | <b>Soybeans (all counties)</b> | <b>Wheat (select counties)</b> |
|-------------------------------|----------------------------|--------------------------------|--------------------------------|
| Arkansas                      | Iowa                       | Iowa                           | Minnesota                      |
| California                    |                            |                                | Montana                        |
| Louisiana                     |                            |                                | North Dakota                   |
| Mississippi                   |                            |                                | South Dakota                   |
| Missouri                      |                            |                                |                                |
| Texas                         |                            |                                |                                |

MP considers certain variable costs of production in formulating an insurance guarantee for crops. MP is offered as an area based policy that can be purchased as a stand-alone policy, or purchased in conjunction with a Yield Protection or Revenue Protection policy. MP provides producers with coverage to protect their expected operating margin, i.e., the difference between expected revenue and specific expected input costs based on current expectations of commodity and input prices. MP takes into consideration changes in crop prices, as well as changes in the prices of certain inputs used to grow the crop.

## Action

The following materials will be available by close of business today on the RMA Web site at [www.rma.usda.gov/policy-procedure/general-policies/margin-protection](http://www.rma.usda.gov/policy-procedure/general-policies/margin-protection). In addition, a MP-Supporting Information table is attached containing information on fund designation, key program dates, and other pertinent information.

- Margin Protection Plan Provisions (16-MP)
  - Corn Crop Provisions (16-MP-41)
  - Rice Crop Provisions (16-MP-018)
  - Soybeans Crop Provisions (16-MP-081)
  - Wheat Crop Provisions (16-MP-011)
- Margin Price Provisions Section I: General Information (16-MPP)
- Margin Price Provisions Section II Commodity Price Definitions and Section III Commodity Input Definitions: Crop-Specific
  - Corn
  - Rice
  - Soybeans
  - Wheat
- Margin Protection Plan Insurance Standards Handbook
- Fact Sheet and FAQ

If you have any questions, please contact Bill Bing or Michael Ciliege, Product Administration and Standards Division at (816) 926-7730.

### **DISPOSAL DATE:**

December 31, 2015.

### **ENCLOSURE:**

MP-Supporting Information Table