

SUMMARY OF CHANGES FOR THE FLAX PRICING METHODOLOGY (25-CEPP-M0031)

The following is a brief description of changes to the Flax Pricing Methodology for the 2025 and succeeding crop years. Please refer to the Flax Pricing Methodology document on the following page for complete information.

- The 2025 crop year is the first year that revenue coverage is offered for flax. Prior to the 2025 crop year, flax was insured under the Actual Production History plan of insurance.



UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
Flax Pricing Methodology

In accordance with the Common Crop Insurance Policy Basic Provisions and the Commodity Exchange Price Provisions: Section II – Flax (CEPP), flax prices are derived using a factor “determined by RMA.” The method used to determine this factor is explained in this document.

Data used to derive the flax factor includes the National Agricultural Statistic Service (NASS) market year U.S. price received for flax and the NASS market year U.S. price received for canola. The NASS price for flax is in dollars per bushel and must be converted to per pound basis by dividing by 56. The NASS price for canola is in dollars per hundredweight and must be converted to per pound basis by dividing by 100.

To compute the factor, the NASS U.S. price received for flax per pound is divided by the NASS market year U.S. price received for canola per pound. The most recent 10 years of ratios are then averaged. The 10-year average ratio is converted to a per bushel basis by multiplying by 56 to create the factor.

The factor computed above uses data from two years prior to the crop year it applies to. For example, for the 2025 market year, the factor is calculated with data from 2014-2023.