



United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural  
Services

Risk  
Management  
Agency

Beacon Facility –  
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February 16, 2017

**INFORMATIONAL MEMORANDUM: PM-17-008**

**TO:** All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

**FROM:** Richard H. Flournoy /s/*Richard H. Flournoy*  
Deputy Administrator

**SUBJECT:** 2017 Crop Year (CY) **Common Crop Insurance Policy, Area Risk Protection Insurance and Margin Protection Plan**  
Projected Prices and Volatility Factors

**Common Crop Insurance Policy & Area Risk Protection Insurance <sup>1</sup>**

The 2017 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 2017 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:

<b>Crop/Type/Practice/State</b>	<b>Exchange</b>	<b>Contract</b>	<b>Projected Price</b>	<b>Volatility Factor</b>
<b>Corn</b> <i>Alabama, Florida, Georgia, Louisiana &amp; South Carolina</i>	CBOT	September Corn	\$3.87/bushel	0.17
<b>Corn - Organic Practice</b> <i>Alabama, Florida, Georgia, Louisiana &amp; South Carolina</i>	CBOT	September Corn	\$8.86/bushel	0.17
<b>Corn</b> <i>Arkansas &amp; Mississippi</i>	CBOT	December Corn	\$3.94/bushel	0.17
<b>Corn - Organic Practice</b> <i>Arkansas &amp; Mississippi</i>	CBOT	December Corn	\$9.02/bushel	0.17

<sup>1</sup> *Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO).*

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2017 Crop Year (CY) **Common Crop Insurance Policy, Area Risk Protection Insurance** and **Margin Protection Plan** Projected Prices and Volatility Factors

...Continued

**Common Crop Insurance Policy & Area Risk Protection Insurance**<sup>1</sup>

<b>Crop/Type/Practice/State</b>	<b>Exchange</b>	<b>Contract</b>	<b>Projected Price</b>	<b>Volatility Factor</b>
<b>Corn</b> <i>North Carolina</i>	CBOT	December Corn	\$3.94/bushel	0.17
<b>Corn - Organic Practice</b> <i>North Carolina</i>	CBOT	December Corn	\$9.02/bushel	0.17
<b>Corn</b> <i>Arizona, California &amp; Nevada</i>	CBOT	December Corn	\$3.94/bushel	0.18
<b>Corn - Organic Practice</b> <i>Arizona, California &amp; Nevada</i>	CBOT	December Corn	\$9.02/bushel	0.18
<b>Cotton</b> <i>All States</i>	ICE	December Cotton	\$0.73/pound	0.15
<b>Cotton – Organic Practice</b> <i>All States</i>	ICE	December Cotton	\$1.13/pound	0.15
<b>Grain Sorghum</b> <i>Alabama, Florida, Georgia &amp; South Carolina</i>	CBOT	December Corn	\$3.81/bushel	0.16
<b>Grain Sorghum – Organic Practice</b> <i>Alabama, Florida, Georgia &amp; South Carolina</i>	CBOT	December Corn	\$5.61/bushel	0.16
<b>Grain Sorghum</b> <i>Arkansas, Louisiana &amp; Mississippi</i>	CBOT	December Corn	\$3.81/bushel	0.17
<b>Grain Sorghum – Organic Practice</b> <i>Arkansas, Louisiana &amp; Mississippi</i>	CBOT	December Corn	\$5.61/bushel	0.17

<sup>1</sup> Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO) and Stacked Income Protection (STAX - cotton only).

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2017 Crop Year (CY) **Common Crop Insurance Policy, Area Risk Protection Insurance** and **Margin Protection Plan** Projected Prices and Volatility Factors

...Continued

**Common Crop Insurance Policy & Area Risk Protection Insurance**<sup>1</sup>

<b>Crop/Type/Practice/State</b>	<b>Exchange</b>	<b>Contract</b>	<b>Projected Price</b>	<b>Volatility Factor</b>
<b>Grain Sorghum</b> <i>Arizona, California &amp; North Carolina</i>	CBOT	December Corn	\$3.81/bushel	0.18
<b>Grain Sorghum – Organic Practice</b> <i>Arizona, California &amp; North Carolina</i>	CBOT	December Corn	\$5.61/bushel	0.18
<b>Peanuts – Runner Type</b> <i>Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina &amp; Texas</i>	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.1977/pound	0.12
<b>Peanuts – Spanish Type</b> <i>Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi &amp; Texas</i>	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2590/pound	0.12
<b>Peanuts – Virginia Type</b> <i>Alabama, Florida, Georgia, Mississippi, North Carolina &amp; South Carolina</i>	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2194/pound	0.12
<b>Popcorn</b> <i>March 15 Sales Closing Date</i> <i>Alabama</i>	CBOT	September Corn	\$0.1664/pound	0.17
<b>Popcorn – Organic Practice</b> <i>March 15 Sales Closing Date</i> <i>Alabama</i>	CBOT	September Corn	\$0.2396/pound	0.17

<sup>1</sup> Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO).

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2017 Crop Year (CY) **Common Crop Insurance Policy, Area Risk Protection Insurance and Margin Protection Plan** Projected Prices and Volatility Factors

...Continued

**Common Crop Insurance Policy & Area Risk Protection Insurance** <sup>1,2</sup>

<b>Crop/Type/Practice/State</b>	<b>Exchange</b>	<b>Contract</b>	<b>Projected Price</b>	<b>Volatility Factor</b>
<b>Rice – Long Grain Type &amp; No Type Specified<sup>2</sup></b> <i>Louisiana</i>	CBOT	September Rice	\$0.103/pound	0.17
<b>Rice – Long Grain Type &amp; No Type Specified; Organic Practice</b> <i>Louisiana</i>	CBOT	September Rice	\$0.138/pound	0.17
<b>Rice – Medium/Short Grain Types</b> <i>Louisiana</i>	CBOT	September Rice	\$0.109/pound	0.17
<b>Rice – Medium/Short Grain Types; Organic Practice</b> <i>Louisiana</i>	CBOT	September Rice	\$0.146/pound	0.17
<b>Rice – Long Grain Type &amp; No Type Specified<sup>2</sup></b> <i>Arkansas, Mississippi &amp; Texas</i>	CBOT	November Rice	\$0.104/pound	0.17
<b>Rice – Long Grain Type &amp; No Type Specified; Organic Practice</b> <i>Arkansas, Mississippi &amp; Texas</i>	CBOT	November Rice	\$0.139/pound	0.17
<b>Rice – Medium/Short Grain Types</b> <i>Arkansas, Mississippi &amp; Texas</i>	CBOT	November Rice	\$0.110/pound	0.17
<b>Rice – Medium/Short Grain Types; Organic Practice</b> <i>Arkansas, Mississippi &amp; Texas</i>	CBOT	November Rice	\$0.148/pound	0.17
<b>Rice – Long Grain Type &amp; No Type Specified</b> <i>California, Illinois, Missouri, Oklahoma &amp; Tennessee</i>	CBOT	November Rice	\$0.104/pound	0.18

<sup>1</sup> Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO).

<sup>2</sup> The long grain projected price (conventional practice) is used as the price election under the terms of the **Hybrid Seed Rice Crop Provisions**: <http://www.rma.usda.gov/policies/2016/16-0080.pdf>

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2017 Crop Year (CY) **Common Crop Insurance Policy, Area Risk Protection Insurance** and **Margin Protection Plan** Projected Prices and Volatility Factors

...Continued

**Common Crop Insurance Policy & Area Risk Protection Insurance**<sup>1</sup>

<b>Crop/Type/Practice/State</b>	<b>Exchange</b>	<b>Contract</b>	<b>Projected Price</b>	<b>Volatility Factor</b>
<b>Rice – Long Grain Type &amp; No Type Specified; Organic Practice</b> <i>California, Illinois, Missouri, Oklahoma &amp; Tennessee</i>	CBOT	November Rice	\$0.139/pound	0.18
<b>Rice – Medium/Short Grain Types</b> <i>California</i>	CBOT	November Rice	\$0.146/pound	0.18
<b>Rice – Medium/Short Grain Types; Organic Practice</b> <i>California</i>	CBOT	November Rice	\$0.196/pound	0.18
<b>Rice – Medium/Short Grain Types</b> <i>Illinois, Missouri, Oklahoma &amp; Tennessee</i>	CBOT	November Rice	\$0.110/pound	0.18
<b>Rice – Medium/Short Grain Types; Organic Practice</b> <i>Illinois, Missouri, Oklahoma &amp; Tennessee</i>	CBOT	November Rice	\$0.148/pound	0.18
<b>Soybeans</b> <i>Arkansas, Louisiana, Mississippi &amp; Texas</i>	CBOT	November Soybeans	\$10.21/bushel	0.15
<b>Soybeans - Organic Practice</b> <i>Arkansas, Louisiana, Mississippi &amp; Texas</i>	CBOT	November Soybeans	\$20.56/bushel	0.15
<b>Soybeans</b> <i>Alabama, Florida, Georgia, North Carolina &amp; South Carolina</i>	CBOT	January (2018) Soybeans	\$10.25/bushel	0.16
<b>Soybeans - Organic Practice</b> <i>Alabama, Florida, Georgia, North Carolina &amp; South Carolina</i>	CBOT	January (2018) Soybeans	\$20.64/bushel	0.16

<sup>1</sup> Projected Prices and Volatility Factors are applicable the Supplemental Coverage Option (SCO).

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2017 Crop Year (CY) **Common Crop Insurance Policy, Area Risk Protection Insurance and Margin Protection Plan** Projected Prices and Volatility Factors

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**Margin Protection Plan**

The following 2017 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 at the following web page on RMA’s public website: <http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>. Please see the following web page on RMA’s public website for program details: <http://www.rma.usda.gov/policies/mp/index.html>

<b>Crop/Type</b>	<b>Exchange</b>	<b>Contract</b>	<b>Margin Projected Price</b>	<b>Volatility Factor</b>
<b>Rice – Long Grain Type &amp; No Type Specified</b> <i>Louisiana</i>	CBOT	September Rice	\$0.103/pound	0.17
<b>Rice – Medium &amp; Short Grain Types</b> <i>Louisiana</i>	CBOT	September Rice	\$0.109/pound	0.17
<b>Rice – Long Grain Type &amp; No Type Specified</b> <i>Arkansas, Mississippi &amp; Texas</i>	CBOT	November Rice	\$0.104/pound	0.17
<b>Rice – Medium &amp; Short Grain Types</b> <i>Arkansas, Mississippi &amp; Texas</i>	CBOT	November Rice	\$0.110/pound	0.17
<b>Rice – Long Grain Type &amp; No Type Specified</b> <i>California &amp; Missouri</i>	CBOT	November Rice	\$0.104/pound	0.18
<b>Rice – Medium &amp; Short Grain Types</b> <i>California</i>	CBOT	November Rice	\$0.146/pound	0.18
<b>Rice – Medium &amp; Short Grain Types</b> <i>Missouri</i>	CBOT	November Rice	\$0.110/pound	0.18

**DISPOSAL DATE**

December 31, 2017