



United States
Department of
Agriculture

Farm Production
and Conservation

Risk
Management
Agency

Beacon Facility –
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Kansas City, MO
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January 16, 2018

INFORMATIONAL MEMORANDUM: PM-18-003

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

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

SUBJECT: 2018 Crop Year (CY) **Common Crop Insurance Policy and Margin Protection** Projected Prices and Volatility Factors

Common Crop Insurance Policy¹

The 2018 CY **projected prices** shown below are approved for the Yield Protection, Revenue Protection and Revenue Protection with Harvest Price Exclusion plans of insurance. The 2018 CY **volatility factors** shown below are approved for the Revenue Protection and Revenue Protection with Harvest Price Exclusion plans of insurance. The projected prices and volatility factors apply to policies with a **January 31 sales closing date** and are applicable for the crops, types, practices and states indicated below:

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Corn Texas	CBOT	September Corn	\$3.74/bu.	0.13
Corn – Organic Practice² Texas	CBOT	September Corn	\$8.56/bu.	0.13
Cotton Texas	ICE	December Cotton	\$0.74/lb.	0.14
Cotton – Organic Practice² Texas	ICE	December Cotton	\$1.14/lb.	0.14

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

² *For the 2018 CY, organic coverage is not available in all counties covered by the January 31 sales closing date.*

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Common Crop Insurance Policy¹

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Grain Sorghum Texas	CBOT	September Corn	\$3.62/bu.	0.13
Grain Sorghum – Organic Practice² Texas	CBOT	September Corn	\$7.80/bu.	0.13
Peanuts – Runner Type Texas	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2010/lb.	0.17
Peanuts – Spanish Type Texas	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2632/lb.	0.17
Rice – Long Grain Type Texas	CBOT	September Rice	\$0.117/lb.	0.13
Rice – Medium & Short Grain Types Texas	CBOT	September Rice	\$0.124/lb.	0.13
Rice – Long Grain Type; Organic Practice Texas	CBOT	September Rice	\$0.157/lb.	0.13
Rice – Medium & Short Grain Types; Organic Practice Texas	CBOT	September Rice	\$0.166/lb.	0.13
Soybeans Texas	CBOT	November Soybeans	\$9.79/bu.	0.13
Soybeans – Organic Practice Texas	CBOT	November Soybeans	Not available. ³	

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

² For the 2018 CY, organic coverage is not available in all counties covered by the January 31 sales closing date.

³ For the 2018 CY, organic coverage is not available for soybeans in counties covered by the January 31 sales closing date.

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Common Crop Insurance Policy ¹

Crop/Type/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Sunflowers – Oil Type Texas	CBOT	July Soybean Oil	\$0.178/lb.	0.10
Sunflowers – Oil Type; Organic Practice Texas	CBOT	July Soybean Oil	\$0.319/lb.	0.10
Sunflowers – Confectionary Type; All Practices Texas	CBOT	July Soybean Oil	\$0.240/lb.	0.10

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

Margin Protection

The following 2018 CY **margin projected prices** and **volatility factors** are approved for the Margin Protection plan of insurance. 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>

Crop/Type	Exchange	Contract	Margin Projected Price	Volatility Factor
Rice – Long Grain Type & No Type Specified Texas	CBOT	September Rice	\$0.117/lb.	0.13
Rice – Medium & Short Grain Types Texas	CBOT	September Rice	\$0.124/lb.	0.13

DISPOSAL DATE

December 31, 2018