



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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March 1, 2018

INFORMATIONAL MEMORANDUM: PM-18-014

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: 2018 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 Insurance¹

The 2018 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 2018 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 **March 15 sales closing date, unless otherwise indicated**, and are applicable for the crops, practices, types, and states indicated below:

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Barley <i>Kansas (Spring type)</i>	CBOT	July Corn	\$3.23/bushel	0.10
Barley – Organic Practice <i>Kansas (Spring type)</i>	CBOT	July Corn	\$6.90/bushel	0.10

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

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2018 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

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Common Crop Insurance Policy & Area Risk Protection Insurance¹

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Barley <i>Iowa, Nebraska, New York (Spring type) & Pennsylvania (Spring type)</i>	CBOT	September Corn	\$3.28/bushel	0.12
Barley – Organic Practice <i>Iowa, Nebraska, New York (Spring type) & Pennsylvania (Spring type)</i>	CBOT	September Corn	\$7.00/bushel	0.12
Barley <i>California (Spring types), Colorado (Spring types), Idaho (Spring types), Maine, Michigan, Minnesota, Montana, Nevada, North Dakota, Oregon (Spring types), South Dakota, Utah, Vermont, Washington (Spring types), Wisconsin & Wyoming</i>	CBOT	September Corn	\$3.28/bushel	0.14
Barley – Organic Practice <i>California (Spring types), Colorado (Spring types), Idaho (Spring types), Maine, Michigan, Minnesota, Montana, Nevada, North Dakota, Oregon (Spring types), South Dakota, Utah, Vermont, Washington (Spring types), Wisconsin & Wyoming</i>	CBOT	September Corn	\$7.00/bushel	0.14
Barley <i>Alaska</i>	CBOT	December Corn	\$5.08/bushel	0.14
Barley – Organic Practice <i>Alaska</i>	CBOT	December Corn	\$10.84/bushel	0.14

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

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2018 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

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Common Crop Insurance Policy & Area Risk Protection Insurance¹

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Barley (March 15 Sales Closing Date, Winter Types without Winter Coverage Endorsement) <i>California, Idaho, Oregon & Washington</i> <i>(previously released 9/15/2017)</i>	CBOT	September Corn	\$3.29/bushel	0.18
Barley – Organic Practice (March 15 Sales Closing Date, Winter Types without Winter Coverage Endorsement) <i>California, Idaho, Oregon & Washington</i> <i>(previously released 9/15/2017)</i>	CBOT	September Corn	\$7.02/bushel	0.18
Barley (September 30 Sales Closing Date, Spring Type) <i>Kansas</i>	CBOT	July Corn	\$3.23/bushel	0.10
Barley – Organic Practice (September 30 Sales Closing Date, Spring Type) <i>Kansas</i>	CBOT	July Corn	\$6.90/bushel	0.10
Barley (September 30 Sales Closing Date, Spring Types) <i>New York & Pennsylvania</i>	CBOT	September Corn	\$3.28/bushel	0.12
Barley – Organic Practice (September 30 Sales Closing Date, Spring Types) <i>New York & Pennsylvania</i>	CBOT	September Corn	\$7.00/bushel	0.12

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

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2018 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

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Common Crop Insurance Policy & Area Risk Protection Insurance¹

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Barley (September 30 Sales Closing Date, Spring Types) <i>California, Colorado, Idaho, Oregon & Washington</i>	CBOT	September Corn	\$3.28/bushel	0.14
Barley – Organic Practice (September 30 Sales Closing Date, Spring Types) <i>California, Colorado, Idaho, Oregon & Washington</i>	CBOT	September Corn	\$7.00/bushel	0.14
Barley (October 31 Sales Closing Date, Spring Types) <i>Nevada & Utah</i>	CBOT	September Corn	\$3.28/bushel	0.14
Barley – Organic Practice (October 31 Sales Closing Date, Spring Types) <i>Nevada & Utah</i>	CBOT	September Corn	\$7.00/bushel	0.14
Canola <i>All States</i>	ICE	November Canola	\$0.184/pound	0.08
Canola - Rapeseed Type <i>All States</i>	ICE	November Canola	\$0.264/pound	0.00
Canola (August 31 Sales Closing Date, Spring Type(s)) <i>Idaho, Oregon & Washington</i>	ICE	November Canola	\$0.184/pound	0.08
Canola - Rapeseed Type (August 31 Sales Closing Date, Spring Type(s)) <i>Idaho, Oregon & Washington</i>	ICE	November Canola	\$0.264/pound	0.00

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

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2018 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

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Common Crop Insurance Policy & Area Risk Protection Insurance¹

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Corn <i>Oklahoma & Texas</i>	CBOT	December Corn	\$3.96/bushel	0.14
Corn - Organic Practice <i>Oklahoma & Texas</i>	CBOT	December Corn	\$9.07/bushel	0.14
Corn <i>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</i>	CBOT	December Corn	\$3.96/bushel	0.15
Corn - Organic Practice <i>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</i>	CBOT	December Corn	\$9.07/bushel	0.15
Corn <i>Idaho, Michigan, Oregon & Washington</i>	CBOT	December Corn	\$3.96/bushel	0.16

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

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2018 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

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Common Crop Insurance Policy & Area Risk Protection Insurance¹

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Corn - Organic Practice <i>Idaho, Michigan, Oregon & Washington</i>	CBOT	December Corn	\$9.07/bushel	0.16
Corn – High Amylose Type <i>Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska & South Dakota</i>	CBOT	December Corn	\$5.54/bushel	0.15
Cotton <i>Missouri, Tennessee, Texas & Virginia</i>	ICE	December Cotton	\$0.76/pound	0.14
Cotton - Organic Practice <i>Missouri, Tennessee, Texas & Virginia</i>	ICE	December Cotton	\$1.16/pound	0.14
Cotton <i>Kansas, New Mexico & Oklahoma</i>	ICE	December Cotton	\$0.76/pound	0.15
Cotton - Organic Practice <i>Kansas, New Mexico & Oklahoma</i>	ICE	December Cotton	\$1.16/pound	0.15
Grain Sorghum <i>Texas</i>	CBOT	December Corn	\$3.83/bushel	0.14
Grain Sorghum – Organic Practice <i>Texas</i>	CBOT	December Corn	\$8.26/bushel	0.14
Grain Sorghum <i>All States, except Texas</i>	CBOT	December Corn	\$3.83/bushel	0.15
Grain Sorghum – Organic Practice <i>All States, except Texas</i>	CBOT	December Corn	\$8.26/bushel	0.15
Peanuts - Runner Type <i>New Mexico, Oklahoma, Texas & Virginia</i>	CBOT/ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2035/pound	0.13

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

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2018 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

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Common Crop Insurance Policy & Area Risk Protection Insurance¹

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Peanuts - Spanish Type <i>New Mexico, Oklahoma & Texas</i>	CBOT/ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2666/pound	0.13
Peanuts - Valencia Type <i>New Mexico, Oklahoma & Texas</i>	CBOT/ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2259/pound	0.13
Peanuts - Virginia Type <i>New Mexico, Oklahoma, Texas & Virginia</i>	CBOT/ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2259/pound	0.13
Popcorn <i>Alabama</i> <i>(previously released: 2/15/2018)</i>	CBOT	September Corn	\$0.1643/pound	0.14
Popcorn - Organic Practice <i>Alabama</i> <i>(previously released: 2/15/2018)</i>	CBOT	September Corn	\$0.2365/pound	0.14
Popcorn <i>All States, except Alabama & Michigan</i>	CBOT	December Corn	\$0.1703/pound	0.15
Popcorn - Organic Practice <i>All States, except Alabama & Michigan</i>	CBOT	December Corn	\$0.2451/pound	0.15
Popcorn <i>Michigan</i>	CBOT	December Corn	\$0.1703/pound	0.16
Popcorn - Organic Practice <i>Michigan</i>	CBOT	December Corn	\$0.2451/pound	0.16

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

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2018 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

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Common Crop Insurance Policy & Area Risk Protection Insurance¹

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Soybeans <i>Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont, Washington & Wisconsin</i>	CBOT	November Soybeans	\$10.16/bushel	0.14
Soybeans - Organic Practice <i>Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont, Washington & Wisconsin</i>	CBOT	November Soybeans	\$20.49/bushel	0.14
Soybeans <i>Delaware, Maryland, Oklahoma, Virginia & West Virginia</i>	CBOT	January (2019) Soybeans	\$10.21/bushel	0.13
Soybeans - Organic Practice <i>Delaware, Maryland, Oklahoma, Virginia & West Virginia</i>	CBOT	January (2019) Soybeans	\$20.59/bushel	0.13
Sunflowers - Oil Type <i>All States</i>	CBOT	December Soybean Oil	\$0.175/pound	0.12
Sunflowers - Oil Type; Organic Practice <i>All States</i>	CBOT	December Soybean Oil	\$0.313/pound	0.12
Sunflowers - Confectionary Type <i>All States</i>	CBOT	December Soybean Oil	\$0.237/pound	0.12

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

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2018 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

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Common Crop Insurance Policy & Area Risk Protection Insurance¹

Crop/Practice/Type/State	Exchange	Contract	Projected Price	Volatility Factor
Wheat - All Types Except Durum <i>Alaska, California, Colorado, Iowa, Maine, Minnesota, Montana, Nebraska, North Dakota, Oregon (Klamath County only), South Dakota, Vermont, Wisconsin & Wyoming</i>	MGE	September HRS Wheat	\$6.31/bushel	0.13
Wheat - All Types Except Durum; Organic Practice <i>Alaska, California, Colorado, Iowa, Maine, Minnesota, Montana, Nebraska, North Dakota, Oregon (Klamath County only), South Dakota, Vermont, Wisconsin & Wyoming</i>	MGE	September HRS Wheat	\$13.65/bushel	0.13
Wheat - Durum Type <i>Montana, North Dakota & South Dakota</i>	MGE	September HRS Wheat	\$7.11/bushel	0.13
Wheat - Durum Type; Organic Practice <i>Montana, North Dakota & South Dakota</i>	MGE	September HRS Wheat	\$15.39/bushel	0.13
Wheat (September 30 Sales Closing Date, Spring Type) <i>California, Colorado, Iowa, Montana (including Khorasan), Nebraska, Oregon (Klamath County only), South Dakota, Wisconsin & Wyoming</i>	MGE	September HRS Wheat	\$6.31/bushel	0.13
Wheat – Organic Practice (September 30 Sales Closing Date, Spring Type) <i>California, Colorado, Iowa, Montana (including Khorasan), Nebraska, Oregon (Klamath County only), South Dakota, Wisconsin & Wyoming</i>	MGE	September HRS Wheat	\$13.65/bushel	0.13

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

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2018 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

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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. Please see the MBE for details:

www.rma.usda.gov/policies/2018/18-0091b.pdf

Malting Barley Type	Exchange	Contract	Projected Price	Volatility Factor
Spring Planted Type	CBOT	September SRW Wheat	\$4.98/bushel	0.15

Hybrid Seed Price Endorsement

The following 2018 CY hybrid seed corn prices have been approved for the Hybrid Seed Price Endorsement: **\$3.96 per bushel** for the non-organic practice; and **\$9.07 per bushel** for the certified organic practice.

These amounts reflect the higher values of either: 1) the previously-released 2018 crop year MPCCI hybrid seed corn price elections [non-organic practice: \$3.95 per bushel; certified organic practice: \$8.97 per bushel]; or 2) the futures-based prices derived from the average daily settlement price in February for the 2018 December CBOT corn contract [non-organic practice: \$3.96 per bushel], multiplied by an organic corn price factor [certified organic practice: \$9.07 per bushel].

DISPOSAL DATE

December 31, 2018