



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

Beacon Facility –
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Kansas City, MO
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March 1, 2017

INFORMATIONAL MEMORANDUM: PM-17-012

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

FROM: Richard H. Flournoy /s/ Jason Albright, for.
Deputy Administrator

SUBJECT: 2017 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 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 **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 | \$3.35/bushel | 0.13 |
| Barley – Organic Practice <i>Kansas (Spring type)</i> | CBOT | July Corn | \$7.17/bushel | 0.13 |

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

Continued...

2017 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 | \$3.40/bushel | 0.16 |
| Barley – Organic Practice <i>Iowa, Nebraska, New York (Spring type) & Pennsylvania (Spring type)</i> | CBOT | September Corn | \$7.28/bushel | 0.16 |
| Barley <i>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 | \$3.40/bushel | 0.18 |
| Barley – Organic Practice <i>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 | \$7.28/bushel | 0.18 |
| Barley <i>Alaska</i> | CBOT | December Corn | \$4.29/bushel | 0.18 |
| Barley – Organic Practice <i>Alaska</i> | CBOT | December Corn | \$9.17/bushel | 0.18 |
| Barley <i>California</i> | CBOT | December Corn | \$3.46/bushel | 0.18 |
| Barley – Organic Practice <i>California</i> | CBOT | December Corn | \$7.39/bushel | 0.18 |

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

Continued...

2017 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

...Continued

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>Idaho, Oregon & Washington</i> <i>(previously released 9/15/2016)</i> | CBOT | September Corn | \$3.18/bushel | 0.21 |
| Barley – Organic Practice (March 15 Sales Closing Date, Winter Types without Winter Coverage Endorsement) <i>Idaho, Oregon & Washington</i> <i>(previously released 9/15/2016)</i> | CBOT | September Corn | \$6.79/bushel | 0.21 |
| Barley (September 30 Sales Closing Date, Spring Type) <i>Kansas</i> | CBOT | July Corn | \$3.35/bushel | 0.13 |
| Barley – Organic Practice (September 30 Sales Closing Date, Spring Type) <i>Kansas</i> | CBOT | July Corn | \$7.17/bushel | 0.13 |
| Barley (September 30 Sales Closing Date, Spring Types) <i>New York & Pennsylvania</i> | CBOT | September Corn | \$3.40/bushel | 0.16 |
| Barley – Organic Practice (September 30 Sales Closing Date, Spring Types) <i>New York & Pennsylvania</i> | CBOT | September Corn | \$7.28/bushel | 0.16 |

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

Continued...

2017 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

...Continued

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>Colorado, Idaho, Oregon & Washington</i> | CBOT | September Corn | \$3.40/bushel | 0.18 |
| Barley – Organic Practice (September 30 Sales Closing Date, Spring Types) <i>Colorado, Idaho, Oregon & Washington</i> | CBOT | September Corn | \$7.28/bushel | 0.18 |
| Barley (October 31 Sales Closing Date, Spring Types) <i>Nevada & Utah</i> | CBOT | September Corn | \$3.40/bushel | 0.18 |
| Barley – Organic Practice (October 31 Sales Closing Date, Spring Types) <i>Nevada & Utah</i> | CBOT | September Corn | \$7.28/bushel | 0.18 |
| Canola <i>All States</i> | ICE | November Canola | \$0.175/pound | 0.10 |
| Canola - Rapeseed Type <i>All States</i> | ICE | November Canola | \$0.247/pound | 0.00 |
| Canola (August 31 Sales Closing Date, Spring Type(s)) <i>Idaho, Oregon & Washington</i> | ICE | November Canola | \$0.175/pound | 0.10 |
| Canola - Rapeseed Type (August 31 Sales Closing Date, Spring Type(s)) <i>Idaho, Oregon & Washington</i> | ICE | November Canola | \$0.247/pound | 0.00 |

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

Continued...

2017 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

...Continued

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 | 0.18 |
| Corn - Organic Practice <i>Oklahoma & Texas</i> | CBOT | December Corn | \$9.06/bushel | 0.18 |
| 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 | 0.19 |
| 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 | \$9.06/bushel | 0.19 |
| Corn – High Amylose Type <i>Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska & South Dakota</i> | CBOT | December Corn | \$5.54/bushel | 0.19 |

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

Continued...

2017 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>Idaho, Michigan, Oregon & Washington</i> | CBOT | December Corn | \$3.96/bushel | 0.21 |
| Corn - Organic Practice <i>Idaho, Michigan, Oregon & Washington</i> | CBOT | December Corn | \$9.06/bushel | 0.21 |
| Cotton <i>Missouri, Tennessee, Texas & Virginia</i> | ICE | December Cotton | \$0.74/pound | 0.15 |
| Cotton - Organic Practice <i>Missouri, Tennessee, Texas & Virginia</i> | ICE | December Cotton | \$1.14/pound | 0.15 |
| Cotton <i>Kansas, New Mexico & Oklahoma</i> | ICE | December Cotton | \$0.74/pound | 0.16 |
| Cotton - Organic Practice <i>Kansas, New Mexico & Oklahoma</i> | ICE | December Cotton | \$1.14/pound | 0.16 |
| Grain Sorghum <i>Texas</i> | CBOT | December Corn | \$3.83/bushel | 0.18 |
| Grain Sorghum – Organic Practice <i>Texas</i> | CBOT | December Corn | \$5.64/bushel | 0.18 |
| Grain Sorghum <i>All States, except Texas</i> | CBOT | December Corn | \$3.83/bushel | 0.19 |
| Grain Sorghum – Organic Practice <i>All States, except Texas</i> | CBOT | December Corn | \$5.64/bushel | 0.19 |
| Peanuts - Runner Type <i>New Mexico, Oklahoma, Texas & Virginia</i> | CBOT/ICE | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.1973/pound | 0.12 |

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

Continued...

2017 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

7

...Continued

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 | \$0.2585/pound | 0.12 |
| Peanuts - Valencia Type <i>New Mexico, Oklahoma & Texas</i> | CBOT/ICE | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2190/pound | 0.12 |
| Peanuts - Virginia Type <i>New Mexico, Oklahoma, Texas & Virginia</i> | CBOT/ICE | December Wheat, Cotton, Soybean Oil & Soybean Meal | \$0.2190/pound | 0.12 |
| Popcorn <i>Alabama (previously released: 2/16/2017)</i> | CBOT | September Corn | \$0.1664/pound | 0.17 |
| Popcorn - Organic Practice <i>Alabama (previously released: 2/16/2017)</i> | CBOT | September Corn | \$0.2396/pound | 0.17 |
| Popcorn <i>All States, except Alabama & Michigan</i> | CBOT | December Corn | \$0.1703/pound | 0.19 |
| Popcorn - Organic Practice <i>All States, except Alabama & Michigan</i> | CBOT | December Corn | \$0.2451/pound | 0.19 |
| Popcorn <i>Michigan</i> | CBOT | December Corn | \$0.1703/pound | 0.21 |
| Popcorn - Organic Practice <i>Michigan</i> | CBOT | December Corn | \$0.2451/pound | 0.21 |

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

Continued...

2017 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 | \$10.19/bushel | 0.16 |
| 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 | \$20.52/bushel | 0.16 |
| Soybeans <i>Delaware, Maryland, Oklahoma, Virginia & West Virginia</i> | CBOT | January (2018) Soybeans | \$10.23/bushel | 0.15 |
| Soybeans - Organic Practice <i>Delaware, Maryland, Oklahoma, Virginia & West Virginia</i> | CBOT | January (2018) Soybeans | \$20.60/bushel | 0.15 |
| Sunflowers - Oil Type <i>All States</i> | CBOT | December Soybean Oil | \$0.182/pound | 0.15 |
| Sunflowers - Oil Type; Organic Practice <i>All States</i> | CBOT | December Soybean Oil | \$0.293/pound | 0.15 |
| Sunflowers - Confectionary Type <i>All States</i> | CBOT | December Soybean Oil | \$0.272/pound | 0.15 |

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

Continued...

2017 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 | \$5.65/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 | \$11.78/bushel | 0.13 |
| Wheat - Durum Type <i>Montana, North Dakota & South Dakota</i> | MGE | September HRS Wheat | \$6.38/bushel | 0.13 |
| Wheat - Durum Type; Organic Practice <i>Montana, North Dakota & South Dakota</i> | MGE | September HRS Wheat | \$13.30/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 | \$5.65/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 | \$11.78/bushel | 0.13 |

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

Continued...

2017 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:

<http://www.rma.usda.gov/policies/2017/17-0091b.pdf>

| Malting Barley Type | Exchange | Contract | Projected Price | Volatility Factor |
|----------------------------|-----------------|---------------------|------------------------|--------------------------|
| Spring Planted Type | CBOT | September SRW Wheat | \$4.79/bushel | 0.17 |

Hybrid Seed Price Endorsement

The following 2017 CY hybrid seed corn prices have been approved for the Hybrid Seed Price Endorsement: **\$3.96 per bushel** for the non-organic practice; and **\$9.06 per bushel** for the certified organic practice.

These amounts reflect the higher values of either: 1) the previously-released 2017 crop year MPC I hybrid seed corn price elections [non-organic practice: \$3.79 per bushel; certified organic practice: \$8.64 per bushel]; or 2) the futures-based prices derived from the average daily settlement price in February for the 2017 December CBOT corn contract [non-organic practice: \$3.96 per bushel], multiplied by an organic corn price factor [certified organic practice: \$9.06 per bushel].

DISPOSAL DATE

December 31, 2017