



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

Beacon Facility –
Mail Stop 0801
P.O. Box 419205
Kansas City, MO
64141-6205

February 15, 2012

INFORMATIONAL MEMORANDUM: PM-12-007

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

FROM: Tim B. Witt /s/ *Tim B. Witt*
Deputy Administrator

SUBJECT: 2012 Crop Year (CY) **Common Crop Insurance Policy** Projected
Prices and Volatility Factors and **Group Risk Income Protection**
(GRIP) Expected Price and Volatility Factor

Common Crop Insurance Policy

The 2012 CY **projected prices** shown below are approved for the Yield Protection, Revenue Protection, and Revenue Protection with Harvest Price Exclusion plans of insurance. The 2012 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 are for programs covered by the **February 28 sales closing date**, unless otherwise indicated, and are applicable for the crops, practices, and states indicated in the following table.

Crop/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Corn <i>Alabama, Florida, Georgia, Louisiana & South Carolina</i>	CBOT	September Corn	\$5.90/bushel	0.22
Corn - Organic Practice <i>Alabama, Florida, Georgia, Louisiana & South Carolina</i>	CBOT	September Corn	\$8.30/bushel	0.22
Corn <i>Arkansas & Mississippi</i>	CBOT	December Corn	\$5.66/bushel	0.21
Corn - Organic Practice <i>Arkansas & Mississippi</i>	CBOT	December Corn	\$7.96/bushel	0.21

Continued...



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

2012 Crop Year (CY) **Common Crop Insurance Policy** Projected Prices and Volatility Factors and **Group Risk Income Protection (GRIP)** Expected Price and Volatility Factor

...Continued

Common Crop Insurance Policy

Crop/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Corn <i>North Carolina</i>	CBOT	December Corn	\$5.66/bushel	0.22
Corn - Organic Practice <i>North Carolina</i>	CBOT	December Corn	\$7.96/bushel	0.22
Corn <i>Arizona & California</i>	CBOT	December Corn	\$5.66/bushel	0.23
Corn - Organic Practice <i>Arizona & California</i>	CBOT	December Corn	\$7.96/bushel	0.23
Cotton <i>All States</i>	ICE	December Cotton	\$0.94/pound	0.19
Cotton – Organic Practice <i>All States</i>	ICE	December Cotton	\$1.31/pound	0.19
Grain Sorghum <i>Alabama, Florida, Georgia & South Carolina</i>	CBOT	December Corn	\$5.51/bushel	0.20
Grain Sorghum <i>Arkansas, Louisiana & Mississippi</i>	CBOT	December Corn	\$5.51/bushel	0.22
Grain Sorghum <i>Arizona, California & North Carolina</i>	CBOT	December Corn	\$5.51/bushel	0.23
Popcorn March 15 Sales Closing Date <i>Alabama</i>	CBOT	September Corn	\$0.2360/pound	0.22
Rice <i>Louisiana</i>	CBOT	September Rice	\$0.148/pound	0.13
Rice* <i>Arkansas, Mississippi & Texas</i>	CBOT	November [September*] Rice	\$0.147/pound	0.14
Rice* <i>California, Illinois, Missouri, Oklahoma & Tennessee</i>	CBOT	November [September*] Rice	\$0.147/pound	0.14

Continued...

2012 Crop Year (CY) **Common Crop Insurance Policy** Projected Prices and Volatility Factors and **Group Risk Income Protection (GRIP)** Expected Price and Volatility Factor

...Continued

Common Crop Insurance Policy

Crop/Practice/State	Exchange	Contract	Projected Price	Volatility Factor
Soybeans <i>Arkansas, Louisiana, Mississippi & Texas</i>	CBOT	November Soybeans	\$12.20/bushel	0.18
Soybeans - Organic Practice <i>Arkansas, Louisiana, Mississippi & Texas</i>	CBOT	November Soybeans	\$19.41/bushel	0.18
Soybeans <i>Alabama, Florida, Georgia, North Carolina & South Carolina</i>	CBOT	January (2013) Soybeans	\$12.27/bushel	0.18
Soybeans - Organic Practice <i>Alabama, Florida, Georgia, North Carolina & South Carolina</i>	CBOT	January (2013) Soybeans	\$19.52/bushel	0.18

* *Section I of the Commodity Exchange Price Provisions (CEPP) stipulates that a trading day must have open interest contract activity of at least 25 contracts to qualify as a “full active trading day”. All trading days during the projected price discovery period for the CBOT November rice contract lack sufficient open interest activity. Accordingly, the most recent eight (8) days of daily settlement prices for the prior (September) contract are used to derive the projected price.*

Group Risk Income Protection (GRIP)

The following 2012 CY expected price and volatility factor have been approved for GRIP cotton in counties with a **February 28 or March 15 cancellation date**.

<u>Crop</u>	<u>Expected Price</u>	<u>Volatility Factor</u>
Cotton	\$0.94/pound	0.20

DISPOSAL DATE

December 31, 2012