



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 Policy<sup>1</sup>**

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:

<b>Crop/Type/Practice/State</b>	<b>Exchange</b>	<b>Contract</b>	<b>Projected Price</b>	<b>Volatility Factor</b>
<b>Corn</b> Texas	CBOT	September Corn	\$3.74/bu.	0.13
<b>Corn – Organic Practice<sup>2</sup></b> Texas	CBOT	September Corn	\$8.56/bu.	0.13
<b>Cotton</b> Texas	ICE	December Cotton	\$0.74/lb.	0.14
<b>Cotton – Organic Practice<sup>2</sup></b> Texas	ICE	December Cotton	\$1.14/lb.	0.14

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

<sup>2</sup> *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 Policy<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> Texas	CBOT	September Corn	\$3.62/bu.	0.13
<b>Grain Sorghum – Organic Practice<sup>2</sup></b> Texas	CBOT	September Corn	\$7.80/bu.	0.13
<b>Peanuts – Runner Type</b> Texas	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2010/lb.	0.17
<b>Peanuts – Spanish Type</b> Texas	CBOT/ ICE	December Wheat, Cotton, Soybean Oil & Soybean Meal	\$0.2632/lb.	0.17
<b>Rice – Long Grain Type</b> Texas	CBOT	September Rice	\$0.117/lb.	0.13
<b>Rice – Medium &amp; Short Grain Types</b> Texas	CBOT	September Rice	\$0.124/lb.	0.13
<b>Rice – Long Grain Type; Organic Practice</b> Texas	CBOT	September Rice	\$0.157/lb.	0.13
<b>Rice – Medium &amp; Short Grain Types; Organic Practice</b> Texas	CBOT	September Rice	\$0.166/lb.	0.13
<b>Soybeans</b> Texas	CBOT	November Soybeans	\$9.79/bu.	0.13
<b>Soybeans – Organic Practice</b> Texas	CBOT	November Soybeans	Not available. <sup>3</sup>	

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

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

<sup>3</sup> 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 <sup>1</sup>**

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

<sup>1</sup> 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>

<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> Texas	CBOT	September Rice	\$0.117/lb.	0.13
<b>Rice – Medium &amp; Short Grain Types</b> Texas	CBOT	September Rice	\$0.124/lb.	0.13

**DISPOSAL DATE**

December 31, 2018