



United States  
Department of  
Agriculture

Farm Production  
and Conservation

Risk  
Management  
Agency

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

February 1, 2018

**INFORMATIONAL MEMORANDUM: PM-18-007**

**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

**Common Crop Insurance Policy & Area Risk Protection Insurance <sup>1</sup>**

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 - 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 - Harvest Price Exclusion. The projected prices and volatility factors apply to policies with a **February 15 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	December Corn	\$3.86/bu.	0.14
<b>Corn - Organic Practice</b> Texas	CBOT	December Corn	\$8.84/bu.	0.14
<b>Grain Sorghum</b> Texas	CBOT	December Corn	\$3.73/bu.	0.14
<b>Grain Sorghum - Organic Practice</b> Texas	CBOT	December Corn	\$8.05/bu.	0.14

<sup>1</sup> *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

...Continued

**Common Crop Insurance Policy & Area Risk Protection Insurance**<sup>1</sup>

<b>Crop/Type/Practice/State</b>	<b>Exchange</b>	<b>Contract</b> <sup>2</sup>	<b>Projected Price</b>	<b>Volatility Factor</b>
<b>Rice – Long Grain Type</b> Florida	CBOT	September <sup>2</sup> Rice	\$0.117/lb.	0.13
<b>Rice – Long Grain Type; Organic Practice</b> Florida	CBOT	September <sup>2</sup> Rice	\$0.157/lb.	0.13
<b>Rice – Medium &amp; Short Grain Types</b> Florida	CBOT	September <sup>2</sup> Rice	\$0.129/lb.	0.13
<b>Rice – Medium &amp; Short Grain Types; Organic Practice</b> Florida	CBOT	September <sup>2</sup> Rice	\$0.172/lb.	0.13

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

<sup>2</sup> In accordance with the Commodity Exchange Price Provisions (CEPP), the CBOT September rice contract is used to derive the projected rice prices since the November contract lacks sufficient volume and open interest activity. See the relevant CEPP document for details: <http://www.rma.usda.gov/policies/2016/16cepp.pdf>

**DISPOSAL DATE**

December 31, 2018