



United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

1400 Independence
Ave, SW
Stop 0801
Washington, DC
20250-0801

TO: Board of Directors
Federal Crop Insurance Corporation

FROM: Ross J. Davidson, Jr.
Manager

SUBJECT: Board Memorandum No. 738
Docket No. CI-CRC Grain Sorghum Base-Harvest Price-03-01
Crop Revenue (CRC) Grain Sorghum Base and Harvest Prices Changes

There is submitted for your consideration the subject docket authorizing or not authorizing modifications to the methodology used in determining the CRC Grain Sorghum Base and Harvest Prices, beginning with the 2004 crop year.

CRC was a 508(h) product and is now owned and maintained by the Risk Management Agency (RMA). Grain sorghum is currently valued at 95 percent of the Chicago Board of Trade (CBOT) corn price (based on a historical relationship.) Recent information indicates the relationship of grain sorghum to corn prices are now closer and the 95 percent adjustment may not be appropriate every year. The revised formula will establish a price relationship between grain sorghum and corn based on the January USDA estimate of the grain sorghum price. This ratio will be multiplied by the CBOT corn price to establish the CRC grain sorghum price to better reflect current year estimates of expected market prices.

Crop Revenue (CRC) Grain Sorghum Base and Harvest Prices
Beginning with the 2004 Crop Year
Authorization for Approval or Disapproval
Docket No. CI-CRC Grain Sorghum Base-Harvest Price-03-01

FINAL RESOLUTION

RESOLVED, That Docket No. CI-CRC Grain Sorghum Base-Harvest Price-03-01, Exhibit No. 2208, authorizing modifications to the methodology used in determining the Crop Revenue Coverage Grain Sorghum Base and Harvest Prices to establish the grain sorghum price, by establishing a price relationship between grain sorghum and corn based on the January USDA estimate of the grain sorghum and corn prices and multiplying this ratio by the Chicago Board of Trade corn price under the Commodity Exchange Endorsement, beginning with the 2004 crop year AND BE IT FURTHER RESOLVED, that the Board delegates to the Manager the authority to make such technical policy changes as are necessary to make the policy legally sufficient.

Adopted by the Board of Directors on: October 29, 2003

/signed/
Byron Anderson, Secretary
Federal Crop Insurance Corporation

[SEAL]

Approved by:

/signed/
Keith Collins
Chairman of the Board

11-03-2003
Date