January 23, 2003

INFORMATIONAL MEMORANDUM: R&D-03-005

TO: All Reinsured Companies
    All Risk Management Agency Field Offices

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

SUBJECT: Estimated 2003 Crop Year Revenue Assurance Volatility Factors for Cotton and Rice

Estimated 2003 Crop Year Revenue Assurance Volatility Factors for cotton and rice are as follows:

<table>
<thead>
<tr>
<th>Crop</th>
<th>Volatility Factor Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>.16*</td>
</tr>
<tr>
<td>Rice</td>
<td>.24*</td>
</tr>
</tbody>
</table>

* THESE VOLATILITY FACTORS ARE FOR THE PURPOSE OF PROVIDING PRODUCER PREMIUM ESTIMATES ONLY. THE FINAL VOLATILITY FACTORS WILL BE RELEASED WITH THE PROJECTED HARVEST PRICE.

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and the expiration date is December 31, 2003.