



United States
Department of
Agriculture

March 1, 2007

Risk
Management
Agency

INFORMATIONAL MEMORANDUM: PM-07-012

6501 Beacon Drive
Kansas City,
MO 64133-4676

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

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

SUBJECT: Addendum to 2007 Crop Year (CY) Actuarial Document (Special Provisions) – **(Crop Revenue Coverage (CRC))** Corn, Grain Sorghum, Soybeans, and Spring Wheat Base Prices and Price Factors; **(Group Risk Income Protection (GRIP))** Corn, Grain Sorghum, Soybeans, and Spring Wheat Expected Prices and Volatility Factors; **(Hybrid Seed Price Endorsement (HSPE))** Hybrid Seed Price; **(Income Protection (IP & Indexed IP))** Barley, Corn, Grain Sorghum, Soybeans, and Wheat Projected Prices; and **(Revenue Assurance (RA))** Canola, Corn, Feed Barley, Soybeans, Spring Wheat, and Sunflowers Projected Harvest Prices and Volatility Factors; and **RA** Malting Barley Additional Price Announcement

CROP REVENUE COVERAGE

The following 2007 crop year base prices and low & high price factors have been approved for CRC corn, grain sorghum, soybeans, and spring wheat in counties with a March 15 cancellation date.

<u>Crop</u>	<u>Base Price</u>	<u>Price Factors</u>	
		<u>Low</u>	<u>High</u>
Corn	\$4.06/bushel	0.651	0.651
Grain Sorghum	\$3.83/bushel	0.614	0.614
Soybeans	\$8.09/bushel	0.902	0.902
Spring Wheat	\$5.23/bushel	0.571	0.571



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

An Equal Opportunity Employer

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GROUP RISK INCOME PROTECTION

The following 2007 CY expected prices and volatility factors have been approved for GRIP corn, grain sorghum, soybeans, and wheat in counties with a March 15 cancellation date.

<u>Crop</u>	<u>Expected Price</u>	<u>Volatility Factor</u>
Corn	\$4.06/bushel	0.25
Grain Sorghum	\$3.83/bushel	0.25
Soybeans	\$8.09/bushel	0.19
Spring Wheat	\$5.23/bushel	0.17

HYBRID SEED PRICE ENDORSEMENT

The following 2007 CY hybrid seed price has been approved for the Hybrid Seed Price Endorsement.

<u>Crop</u>	<u>Hybrid Seed Price</u>
Hybrid Seed Corn	\$4.06/bushel

INCOME PROTECTION

The following 2007 CY projected prices have been approved for IP barley, grain sorghum, and wheat, and for IP & Indexed IP corn and soybeans in counties with a March 15 sales closing date.

<u>Crop</u>	<u>Projected Price</u>
Barley	\$3.54/bushel
Corn	\$4.06/bushel
Grain Sorghum	\$3.83/bushel
Soybeans	\$8.09/bushel
Wheat	\$4.95/bushel

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REVENUE ASSURANCE

The following 2007 CY projected harvest prices and volatility factors have been approved for RA canola, feed barley, spring wheat, and sunflowers in all covered counties, and for RA corn and soybeans in counties with a March 15 cancellation date.

<u>Crop</u>	<u>Projected Harvest Price</u>	<u>Volatility Factor</u>
Canola	\$0.152/pound	0.16
Corn	\$4.06/bushel	0.26
Feed Barley	\$2.74/bushel	0.17
Soybeans	\$8.09/bushel	0.19
Spring Wheat	\$5.23/bushel	0.17
Sunflowers	\$0.148/pound	0.18

REVENUE ASSURANCE MALTING BARLEY

In accordance with the RA Malting Barley Price and Quality Endorsement, the 2007 CY additional price under Option A is as follows:

<u>Additional States</u>	<u>Price/bushel</u>
Colorado, Minnesota, South Dakota	\$0.55
Idaho and Montana	\$1.00

RMA recently deployed a new Price Discovery Reporting web application on its website located at <http://www3.rma.usda.gov/apps/pricediscoveryweb/>. This website displays price information for crops covered by Crop Revenue Coverage (CRC) and Revenue Assurance (RA). Prices, along with estimated volatility and low/high price factors, are accumulated and displayed daily during the price discovery periods as outlined by the terms of these insurance contracts. Final approved values are indicated at the conclusion of each discovery period. Additional plans of insurance, as appropriate, will be added to this web application in the future.

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DISPOSAL DATE

This Informational Memorandum is for the purpose of transmitting information and the expiration date is December 31, 2007.