



United States  
Department of  
Agriculture

February 15, 2007

Risk  
Management  
Agency

6501 Beacon Drive  
Kansas City,  
MO 64133-4676

**INFORMATIONAL MEMORANDUM: PM-07-010**

**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))** Cotton Base Price and Low & High Price Factors; **(Group Risk Income Protection (GRIP))** Cotton Expected Price and Price Volatility Factor; **(Income Protection (IP & Indexed IP))** Corn, Cotton, and Soybeans Projected Prices; and **(Revenue Assurance (RA))** Corn, Cotton, and Soybeans Projected Harvest Prices and Price Volatility Factors Announcement

**CROP REVENUE COVERAGE**

The following 2007 CY base price and low & high price factors have been approved for CRC cotton in counties with a February 28 or March 15 cancellation date.

<u>Crop</u>	<u>Base Price</u>	<u>Price Factors</u>	
		<u>Low</u>	<u>High</u>
Cotton	\$0.59/pound	0.046	0.046

**GROUP RISK INCOME PROTECTION**

The following 2007 CY expected price and price volatility factor have been approved for GRIP cotton in counties with a February 28 or March 15 cancellation date.

<u>Crop</u>	<u>Expected Price</u>	<u>Volatility Factor</u>
Cotton	\$0.59/pound	0.16



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

An Equal Opportunity Employer

Addendum to 2007 Crop Year (CY) Actuarial Document (Special Provisions) – (Crop Revenue Coverage (CRC)) Cotton Base Price and Low & High Price Factors; (Group Risk Income Protection (GRIP)) Cotton Expected Price and Price Volatility Factor; (Income Protection (IP & Indexed IP)) Corn, Cotton, and Soybeans Projected Prices; and (Revenue Assurance (RA)) Corn, Cotton, and Soybeans Projected Harvest Prices and Price Volatility Factors Announcement 2

### **INCOME PROTECTION**

The following 2007 CY projected prices have been approved for IP cotton and soybeans and for Indexed IP corn and soybeans in counties with a February 28 sales closing date.

<b><u>Crop</u></b>	<b><u>Projected Price</u></b>
Corn	\$3.96/bushel
Cotton	\$0.59/pound
Soybeans	\$7.80/bushel

### **REVENUE ASSURANCE**

The following 2007 CY projected harvest prices and price volatility factors have been approved for RA corn and soybeans in counties with a cancellation date prior to March 15 and for RA cotton in all covered counties.

<b><u>Crop</u></b>	<b><u>Projected Harvest Price</u></b>	<b><u>Volatility Factor</u></b>
Corn	\$3.97/bushel	0.26
Cotton	\$0.59/pound	0.16
Soybeans	\$7.94/bushel	0.19

RMA has 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.

### **DISPOSAL DATE**

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