



United States
Department of
Agriculture

January 23, 2006

Risk
Management
Agency

INFORMATIONAL MEMORANDUM: R&D-06-004

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 2006 Crop Year (CY) Actuarial Document (Special Provisions) – (**Crop Revenue Coverage (CRC)**) Corn, Cotton, Grain Sorghum, and Rice Base Prices and Low & High Price Factors, (**Group Risk Income Protection (GRIP)**) Corn, Cotton, and Grain Sorghum Expected Prices and Volatility Factors, and (**Income Protection (IP)**) Grain Sorghum Projected Price

CROP REVENUE COVERAGE

The following 2006 CY base prices and low & high price factors have been approved for CRC corn and grain sorghum in counties with a cancellation date **prior to** March 15 and for CRC cotton and rice in counties with a January 31 cancellation date.

<u>Crop</u>	<u>Base Price</u>	<u>Price Factor</u>	
		<u>Low</u>	<u>High</u>
Corn	\$2.38/bushel	0.320	0.320
Cotton	\$0.57/pound	0.067	0.067
Grain Sorghum	\$2.14/bushel	0.288	0.288
Rice	\$0.087/pound	0.007	0.007



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

An Equal Opportunity Employer

GROUP RISK INCOME PROTECTION

The following 2006 CY expected prices and price volatility factors have been approved for GRIP corn, cotton, and grain sorghum in counties with a cancellation date **prior to** March 15 and for GRIP cotton in counties with a January 31 cancellation date.

<u>Crop</u>	<u>Expected Price</u>	<u>Volatility Factor</u>
Corn	\$2.38/bushel	0.20
Cotton	\$0.57/pound	0.19
Grain Sorghum	\$2.14/bushel	0.20

INCOME PROTECTION

The following 2006 CY projected price has been approved for IP grain sorghum counties with a cancellation date **prior to** March 15.

<u>Crop</u>	<u>Projected Price</u>
Grain Sorghum	\$2.14/bushel

DISPOSAL DATE

This Informational Memorandum is for the purpose of transmitting information and the expiration date is December 31, 2006.