



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

BULLETIN NO.: MGR-01-011

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Phyllis W. Honor /s/ Phyllis W. Honor 3/5/01
Acting Administrator

SUBJECT: Non-Availability of Crop Revenue Coverage Base Price for Durum Wheat in North Dakota for the 2001 Crop Year

BACKGROUND:

The Federal Crop Insurance Corporation reinsures and subsidizes durum wheat which is insurable under Crop Revenue Coverage (CRC) in North Dakota and surrounding states. A key element in providing this coverage is the establishment of a base price. The CRC Commodity Exchange Endorsement - Wheat (CEEW) defines the base price for durum wheat as the February average daily settlement price for the harvest year's Minneapolis Grain Exchange (MGE) September durum wheat futures contract.

A minimum of 15 daily prices must be included in the average and each daily price must have a minimum of 25 open interest contracts. The CEEW also provides that if the minimum number of daily prices with the minimum level of open interest contracts are not found for the September contract during the month of February, prices may be taken for the contract immediately prior to the September contract, which is the July durum wheat futures contract.

The MGE September durum wheat futures contract and the MGE July durum wheat futures contract failed to fulfill the minimum requirements specified in the CEEW to establish a CRC base price for durum wheat. Since the minimum requirements were not met, no CRC base price for durum wheat can be determined for the 2001 Crop Year.



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

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ACTION:

RMA has determined that it will reinsure and subsidize, where applicable, policies deriving from actions taken in accordance with the following options: Insured, may:

1. Not insure their durum wheat under the CRC wheat policy and report durum wheat acreage as uninsurable; or
2. Insure their durum wheat as spring wheat under the CRC wheat policy, in which case their durum wheat APH database will be combined with their spring wheat database for the 2001 crop year; or
3. Choose another applicable plan of insurance.

In accordance with the basic provisions, the choice of options must be made **prior** to the sales closing date. Therefore, insureds should be notified as quickly as possible. CEEW should not be offered for sale after March 6, 2001.

DISPOSAL DATE:

The disposal date for the Memorandum is December 31, 2001.