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No Estimates for CRC High/Low Factors¹

I have been receiving emails and phone calls that all run along the same line as this recent email posted below that was sent to me.

Agents comment sent to me;

My question and concern still don't have an answer though. The CRC high low factors could have a huge impact on the quotes we are projecting now. 2 weeks is not enough time to quotes everybody and give them the time to consider their options. My underwriters can't help me with this because these factors come from you (RMA). If we could have a running estimate on the high low factors for CRC just like we do for the volatility factor for RA. Our early quotes would at least be in the ball park.

Something needs to change, either the discovery period or the sales closing date so that we have adequate time to service these producers.

I don't have a good answer for people who have been asking me for a running estimate of the High/Low factors for CRC crop insurance on winter wheat because RMA does not provide an estimate. One would think RMA could generate an estimate based on their rating formula. I would expect the CRC High/Low factors will be adjusted so that CRC rates are similar to RA.

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Therefore, any major advantage of RA over CRC (or vice versa) will likely change once the CRC High/Low factors are announced by RMA.

Apparently some crop insurance agents and farmers still think I am involved with the CRC rating. I have had nothing to do with the rating of CRC since 2002. When I was involved, we set the CRC High/Low factors in July, 60 days before sales closing. When RMA assumed control of CRC in 2002 they changed the CRC rating method. Any suggestion that CRC is not an RMA product is just not correct because CRC has been changed completely and only the CRC trade name remains from my involvement. However, I don't believe without the private sector involvement that revenue insurance would have been a viable product.

So while I always appreciate your emails and phone calls, I have no method to estimate the High/Low factors. I understand why a running estimate of the CRC High/Low factors similar to the running estimate of the volatility factor for RA would be so valuable to crop insurance agents and farmers. It is my understanding that the "combo policy" will be introduced on winter wheat next year. Hopefully RMA will provide running estimates of the prices and volatility for the combo policy. Sorry I was not of more help.

ART