



NEWS RELEASE

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RISK MANAGEMENT AGENCY PROGRAM ANNOUNCEMENT

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USDA LOWERS DURUM BASE PRICE FOR CROP REVENUE COVERAGE

WASHINGTON, February 8, 1999--Risk Management Agency Administrator Ken Ackerman today announced that there is an amendment to the Crop Revenue Coverage (CRC) Commodity Exchange Endorsement for 1999 durum wheat. The amendment reduces the adjustment added to the February average daily settlement price for hard red spring wheat on the Minneapolis Grain Exchange from \$1.92 per bushel to \$1.15.

The provisions of the CRC Commodity Exchange Endorsement used to calculate the base price have been amended to refer to a contract basis that provides less volatility and emphasizes the previous year's market price in establishing a base price that more accurately reflects the market price for durum wheat. The Risk Management Agency has assisted American Agrisurance, Inc., the originator of CRC, in developing this base price formula.

The policy change was submitted by American Agrisurance, Inc. to the Federal Crop Insurance Board of Directors (Board), which approved the change.

"CRC is a good product and we have confidence in it," said Ackerman. "However, as with all new programs, there are conditions that may not be anticipated when the program is developed and the policy must change as such conditions are discovered," said Ackerman.

CRC is a popular revenue insurance product sold by many insurance companies and agents across the nation. With CRC protection, producers lock in a revenue guarantee at the time of planting using a formula that includes the approved yield and the current market price. If revenue per acre at harvest time is lower than the revenue guarantee due to low prices, low yields, or a combination of both, the producer is paid the difference.

Producers who obtained CRC durum protection in Arizona and California prior to October 31, 1998, will not be affected by this change. All other producers should contact their insurance agent to determine the status of their CRC Durum Wheat policy.

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