

SUMMARY OF CHANGES FOR THE OATS PRICING METHODOLOGY (23-CEPP-M0016)

The following is a brief description of changes to the Oats Pricing Methodology for the 2023 and succeeding crop years. Please refer to the Oats Pricing Methodology document below for complete information.

- The 2023 crop year is the first year that revenue coverage is offered for oats. Prior to the 2023 crop year, oats were insured under the Actual Production History plan of insurance.



UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
Oats Pricing Methodology

In accordance with the Common Crop Insurance Policy Basic Provisions and the Commodity Exchange Price Provisions: Section II – Oats (CEPP), oats prices are derived using factors “determined by RMA.” The methods used to determine these factors are explained in this document.

Oats, All States and Counties except Alaska

A 10-year simple average of monthly data is used as the factor methodology for oats. The factor is the same for all sales closing dates. To compute the factor, the National Agricultural Statistic Service (NASS) monthly average price received for oats is divided by the NASS monthly average price received for soft red winter wheat. An average of the monthly ratios for each year is computed to generate an annual ratio. The most recent 10 years of annual ratios are then averaged to create the factor.

Oats, Alaska only

To compute Alaska's factor, the Alaska NASS marketing year oats price received is divided by the U.S. NASS marketing year oats price received for the most recent 10 years to derive annual ratios. These 10 annual ratios are averaged together. This 10-year average is then multiplied by the factor computed above for all states except Alaska, to generate Alaska's factor.

For all states

The factors computed above use data from two years prior to the crop year it applies to. For example, for the 2023 CY the factor is calculated with data from 2012-2021.