

SUMMARY OF CHANGES FOR THE BARLEY PRICING METHODOLOGY (23-CEPP-M0091)
(Released June 2022)

The following is a brief description of changes to the Barley Pricing Methodology for the 2022 and succeeding crop years. Please refer to the Barley Pricing Methodology document below for complete information.

- The document was reformatted to be more consistent with other policy documents.



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

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

Feed Barley, All States and Counties except Alaska

A 10-year simple average of yearly data is used as the factor methodology for barley. The factor is the same for all sales closing dates. Two price series are used to establish the relative values of barley and corn. The first is the National Agricultural Statistics Service (NASS) marketing year average price for feed barley for the entire U.S. The second is average CBOT September corn contract prices from August 1 to August 31. This timeframe represents the most common harvest period for barley in the CEPP, as well as the most common for the major barley producing states. For each year, the NASS price is divided by the CBOT price to derive a ratio, and then the most recent 10 years of ratios are averaged to generate the factor.

Feed Barley, Alaska only

A 5-year simple average of yearly data is used as the factor methodology for Alaska barley. Two price series are used to establish the relative values of Alaska barley and corn. The first is the NASS marketing year average price for Alaska barley. The second is average CBOT September corn contract prices from August 1 to August 31. For each year, the NASS price is divided by the CBOT price to derive a ratio, and then the most recent 5 years of ratios are averaged to generate the 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 2022 CY, the factors are calculated with data from 2011 – 2020.