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**Estimated Implied Volatility for Revenue Assurance (decimal)**

Note: The estimated implied volatility listed below, is based on current option premiums. The "official" implied volatility used to calculate Revenue Assurance premiums will not be released by RMA until after March 1, 2005. The estimated implied volatility may be useful for farmers and insurance agents in calculating estimated RA premiums. A special thanks to RMA for their help validating the KSU model used to estimate RA volatility.

**No warranty for the implied volatility estimate is given or implied by the author or any other party. The method for calculating volatility is subject to change without notice from RMA.**

	CBOT CORN	CBOT S-BEAN	MGE S Wheat
2000's CRC High Price Factor.....	0.2120	0.5000	0.4720
2000's CRC Low Price Factor.....	0.2280	0.5040	0.4480
2001's CRC High Price Factor.....	0.2080	0.4900	0.4580
2001's CRC Low Price Factor.....	0.2280	0.5000	0.4480
2002's CRC High Price Factor.....	0.2110	0.4900	0.2220
2002's CRC Low Price Factor.....	0.2270	0.5000	0.2390
2003's CRC High Price Factor.....	0.3858	0.7292	0.2220
2003's CRC Low Price Factor.....	0.3858	0.7292	0.2390
2004's CRC High Price Factor.....	0.3500	0.8400	0.2380
2004's CRC Low Price Factor.....	0.3500	0.8400	0.2300
2000's RA Volatility.....	0.21	0.20	0.16
2001's RA Volatility.....	0.20	0.16	0.13
2002's RA Volatility.....	0.18	0.16	0.11
2003's RA Volatility.....	0.20	0.18	0.15
2004's RA Volatility.....	0.21	0.21	0.16

**Last Updated 02/28/05**

Estimated CRC High/Low Factors <sup>1</sup> .....	.29-.35	.73-.75	.26-.27				
Est. 5 Day Current Moving Average Volatility <sup>2</sup> .....	20.6	20.6	14.2				
	CBOT CORN	CBOT S-BEAN	MGE S Wheat		CBOT CORN	CBOT S-BEAN	MGE S Wheat
02/01/05	18.1673	17.9672	N/A	02/15/05	18.3885	18.5453	11.6833
02/02/05	18.3721	17.6418	12.0386	02/16/05	18.3598	18.3501	12.0117
02/03/05	17.8273	17.7222	11.9916	02/17/05	18.4786	19.0928	11.9581
02/04/05	18.1099	18.0591	12.0721	02/18/05	18.7899	19.6096	11.4755
02/07/05	18.0198	17.7873	12.0319	02/22/05	19.8877	20.1609	13.3993
02/08/05	18.0853	17.8332	12.2866	02/23/05	20.3506	20.4596	13.4127
02/09/05	18.2492	17.7873	12.2128	02/24/05	20.2564	20.1724	14.1500
02/10/05	18.1714	18.2007	12.2665	02/25/05	21.4771	20.7122	14.4516
02/11/05	18.4663	18.6908	12.7357	02/28/05	21.2764	21.3554	15.6649
02/14/05	18.4376	18.6831	13.5869				

<sup>1</sup>These estimates for the High/Low price factors are "ball park" estimates. RMA solves for the High/Low price factors that will generate CRC premiums "similar" to RA-HPO. As a result it is useless to try an estimate CRC High/Low price factors because the best estimate for CRC premiums is the estimated RA-HPO premium. However, there will be "small" premium differences between CRC and RA-HPO once RMA announces the official High/Low factors. In the Southern USA counties with sales closing before 3/15 RMA has set the High/Low CRC price factors at 0.294 for corn, 0.720 for soybeans, and 0.272 for grain sorghum for 2005.

<sup>2</sup>Only the volatility for the 5 trading days before March 1 count in the final RA volatility value.