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Estimated Implied Volatility for Revenue Assurance

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 September 15, 2006. 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	KCBOT	Portland
	Wheat	Wheat	Wheat
2000's CRC High Price Factor...	0.2850	0.3040	0.4540
2000's CRC Low Price Factor....	0.3120	0.3140	0.4430
2001's CRC High Price Factor...	0.2800	0.2980	0.4070
2001's CRC Low Price Factor....	0.3150	0.3110	0.4490
2002's CRC High Price Factor...	0.2750	0.2920	0.4000
2002's CRC Low Price Factor....	0.3100	0.3060	0.4400
2003's CRC High Price Factor...	0.2750	0.2920	0.4000
2003's CRC Low Price Factor....	0.3100	0.3060	0.4400
2004's CRC High/Low Price Factor.....	0.3100	0.3100	0.3500
2005's CRC High/Low Price Factor.....	0.3730	0.3770	0.4400
2006's CRC High/Low Price Factor.....	0.4200	0.3640	0.4960
2001's RA Volatility..	0.20	0.20	N/A
2002's RA Volatility..	0.18	0.18	N/A
2003's RA Volatility..	0.22	0.22	N/A
2004's RA Volatility..	0.19	0.19	N/A
2005's RA Volatility..	0.21	0.19	N/A
2006's RA Volatility..	0.19	0.18	N/A

Updated 09/14/06

Estimated CRC High/Low Factors¹ ? ? ?

Est. 5 Day Current Moving Average Volatility² 20.5 20.3

	CBOT	KCBOT		CBOT	KCBOT
	WHEAT			WHEAT	
08/18/06	21.2529	19.7106	09/01/06	22.5719	19.6160
08/21/06	21.1500	19.3727	09/05/06	22.5509	19.7178
08/22/06	21.3025	19.1502	09/06/06	22.5598	19.7402
08/23/06	21.5803	19.0091	09/07/06	22.4054	19.7640
08/24/06	21.8667	18.9429	09/08/06	22.1977	19.8604
08/25/06	22.1173	19.0096	09/11/06	22.3453	20.1995
08/28/06	22.3181	19.0658	09/12/06	21.9580	20.1630
08/29/06	22.3684	19.2218	09/13/06	21.4108	20.2881
08/30/06	22.4573	19.3476	09/14/06	20.5472	20.2507
08/31/06	22.5717	19.6150			

¹CRC High/Low Price Factors are subject to change without notice. H/L Factors are released after the RA premiums are set because CRC rates are set to duplicate RA premium rates.

²Only the volatility for the 5 trading days before September 15 count in the final RA volatility value.