

USDA RMA Frequently Asked Questions

Price Provisions

1. Soft white wheat protein levels are really high this year, is RMA taking that into consideration and does the RMA price reflect the value of SWW at 10.5 percent protein instead of SWW value generically?
 - a. A single harvest price is issued by RMA, which reflects a normal range of protein (10.5 percent). The price does not reflect wheat that has abnormally high or low protein levels.
2. In the Commodity Exchange Price Provisions – Wheat document, it states prices for the Portland Merchants Exchange (PME), soft white wheat are used to compute the winter type harvest price for crop insurance. I can't find the PME prices, where can I look to see prices that RMA is using?
 - a. The soft white wheat prices reported by PME are from USDA's Agricultural Marketing Service (AMS). The prices used to compute the harvest price for crop insurance come from this report: <https://mymarketnews.ams.usda.gov/viewReport/3148> - reference prices under the US #1 Soft White Wheat (Bulk) heading.
3. How is the winter wheat harvest price determined?
 - a. The winter wheat harvest price is calculated from daily prices during the month of August. The daily prices are computed by averaging the midpoints of the ranges of cash prices that AMS reports for August and September deliveries. For example, assume AMS reports the following cash price ranges for August 5: August delivery – \$5.50-\$5.60 per bushel; September delivery – \$5.60-\$5.70 per bushel. The midpoints (\$5.55 and \$5.65) are averaged to derive the August 5 daily price: \$5.60 per bushel.
4. Does RMA have a tool that shows the winter wheat harvest price?
 - a. RMA provides pricing information on its Price Discovery tool: <https://prodwebnlb.rma.usda.gov/apps/PriceDiscovery>. The Price Discovery tool can also be obtained from the home page of the RMA website at [Home | RMA \(usda.gov\)](#) by selecting the 'Tools' tab, which provides a drop-down table of options. Once in Price Discovery, select the fields of interest. For example: 'Your Price' for a specific price, '2021', 'Wheat', 'Winter' type, 'Conventional' practice, 'Washington', 'Sep 30' sales closing date. Price Discovery will return a page with relevant pricing information, including the contract/exchange, the harvest price discovery period and the harvest price. Select the 'Harvest Daily Price' tab to see a drop-down table of daily prices (i.e., 'ending values') and the cumulative harvest price to date. (Note: If the selected fields are for 'Many Prices', Price Discovery will return a table with a line for each price of interest based on the criteria you selected. Select the information tab on the left of the line to obtain specific pricing information.)
5. I farm in Washington, is the same price used across the state or other areas?
 - a. A single winter wheat harvest price is used for California (9/30 sales closing date), Idaho, Nevada, Oregon, Utah and Washington.
6. I am an elevator and I reported bids to Agricultural Marketing Service (AMS) – are my prices reflected in the AMS prices used to establish the harvest price for crop insurance?
 - a. Only bids from participating elevators that export soft white wheat to other countries are captured and reported by AMS. Bids from other elevators are not included, and the harvest prices issued by RMA are not designed to reflect local prices at any particular elevator. It is important to use a price for crop insurance that is designed to be reflective of the market as a whole, and not any single local elevator.

7. Why don't the bid prices reported by the Agricultural Marketing Service (AMS) match the bids at my local elevator?
 - a. Only bids from exporting elevators are captured and reported by AMS. The bid prices of export elevators reflect prices the elevators are willing to pay at the time the prices were reported, for soft white wheat delivered by rail or barge to that elevator. Thus, the harvest price issued by RMA is not designed to reflect local prices at any particular elevator.
 - b. Many factors impact individual prices of local elevators. Most prominent are the geographic location of an elevator, which determines how far that elevator may have to ship grain to sell to end users or export elevators, and the means it has to do so (truck, rail, barge), as well as the unique growing conditions that impact wheat production and quality that year. Given all the reasons prices can vary between elevators in a given year, it is important to use a price for crop insurance that is designed to be reflective of the market as a whole, and not any single local elevator.
8. Why is there sometimes such a large range between the low and high bid prices Agricultural Marketing Service (AMS) reports?
 - a. The prices AMS reports are dependent upon the prices export elevators report to AMS. Depending on each elevator's own situation, and its individual demand for soft white wheat on any particular day, elevator bids can vary, particularly on a single day. These differences can be greater in years, like this one, where supplies of wheat with desired protein levels are low.
9. Does RMA plan to adjust the prices reported by AMS in early August higher, since these early prices are lower than prices reported later in the month?
 - a. In accordance with the crop policy, RMA will use the values reported by AMS and will not adjust those values.