SUMMARY OF CHANGES FOR THE MEDIUM AND SHORT GRAIN RICE PRICING METHODOLOGY (26-CEPP-M0018)
(Released November 2025)

The following is a brief description of changes to the Medium and Short Grain Rice Pricing Methodology for the 2026 and succeeding crop years. Please refer to the Medium and Short Grain Rice Pricing Methodology document below for complete information.

- The methodology for states other than California (“other states”) has changed. Previously, other states were anchored to the California factor. Beginning with the 2026 crop year, other states will have a unique factor that does not rely on California’s factor. The methodology for California’s factor remains unchanged, though the verbiage has been simplified.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

Medium and Short Grain Rice Pricing Methodology

RMA establishes distinct medium and short grain rice prices in accordance with the Common Crop Insurance Policy Basic Provisions and the Commodity Exchange Price Provisions: Section II – Rice (CEPP). The CEPP states that medium and short grain type rice prices are derived by applying a price factor "determined by RMA" to the exchange-based projected rice price and harvest rice price. The methods used to determine these factors are explained in this document.

1. Overview

RMA utilizes the following sources:

- National Agricultural Statistics Service (NASS) marketing year average rice prices for California.
- Annual NASS medium grain rice production for Arkansas and Louisiana.
- Chicago Board of Trade (CBOT) November rice contract, Rough Rice U.S. Number 2 or Better - long grain rice.
- Agricultural Marketing Service (AMS) weekly prices for medium and long grain rice for Arkansas and Louisiana.

Separate factors are derived for: 1) California and 2) all other states. Both medium and short grain rice use the same price factor.

2. Price Factor Methodology for California

For each of the most recent ten years of data, NASS California rice prices are divided by RMA rice harvest prices for California (RMA rice harvest prices for California are average daily settlement prices during October for nearby CBOT November Rice Contracts). The California price factor is the average of the most recent five or ten yearly ratios rounded to two decimal places. A five-year average is more likely with trending data while a ten-year average is more likely with non-trending data.

3. Price Factor Methodology for other states

For the most recent ten crop years, weekly averages of the low and high AMS prices reported for long white and medium white rice are computed. This is done separately for both Arkansas and Louisiana. These weekly averages are used to compute simple monthly averages for each state. The medium grain average monthly price is divided by the long grain average monthly price to generate monthly ratios for each state. These ratios are averaged by crop year (Aug-Jul). A single weighted average ratio for each crop year is computed using NASS medium grain production for Arkansas and Louisiana. Either a five-year average (more likely with trending data) or a ten-year average (more likely with non-trending data) of these crop year weighted averages is computed and rounded to two decimal places to generate the factor.