



*U.S. Canola Association
600 Pennsylvania Ave., SE, Suite 320
Washington, DC 20003
Phone (202) 969-8113
Fax (202) 969-7036*

December 3, 2007

Eldon Gould
Administrator
Risk Management Agency
1400 Independence Ave., SW
Washington, DC 20250

Dear Administrator Gould:

The U. S. Canola Association (USCA) respectfully requests that the Risk Management Agency (RMA) adjust its recently announced 2008 MPCPI price election for canola by offering an additional price election for spring planted canola that more accurately reflects current canola bids for the 2008 crop year. The USCA is very concerned that the price election announced for canola, when compared to those bids, could cause serious declines in acreage, even as demand for canola oil continues to increase. The USCA also requests this action, or at least an announcement of the Agency's intention to adjust the price election, be taken as soon as possible; since producers are now making 2008 planting decisions, and crop insurance coverage levels are an integral part of that process.

The price election announced for canola is \$13.85 per cwt. By comparison, the 2008 new crop bid on December 3 was 50 percent higher – \$20.50 per cwt. Also, Agrifood Canada projects canola prices for 2008 to be in the range of \$425-\$465/mt, equivalent to \$19-\$21 per cwt. The canola MPHI price election is severely undervalued compared to new crop price bids and projections.

Prices for all crops have increased significantly in 2007 and projections for 2008 continue to hold strong. Likewise 2008 MCPI price elections for crops in the major canola growing region of the Northern Plains increased 25-50 percent over 2007, with the exception of canola, which increased only 4 percent.

We respectfully urge RMA to offer an additional price election for canola that is more representative of 2008 crop bids and projected prices, and to make that intention known to producers as soon as possible. Thank you in advance for your prompt consideration of this matter.

Respectfully yours,

A handwritten signature in black ink that reads "Steve Kakela". The signature is written in a cursive, flowing style.

Steve Kakela, President
U.S. Canola Association