



3 Main Plans of Insurance

- Yield Protection (YP)
- Revenue Protection (RP)
- Revenue Protection with the Harvest Price Exclusion (RPHPE)



YP, RP, RPHPE Crops:

- Barley
- Canola
- Corn
- Dry Beans
- Dry Peas
- Soybeans
- Sunflowers
- Wheat



2015 Price Elections

Crop	2015 Price	2014 Price
Barley	\$3.51	\$4.03
Canola	\$0.161	\$0.184
Corn	\$4.15	\$4.62
Dry Beans – Navy	\$0.31	\$0.34
Dry Beans – Pinto	\$0.25	\$0.30
Dry Peas – SG&Y	\$0.13	\$0.12
Soybeans	\$9.73	\$11.36
Sunflowers – Conft.	\$0.265	\$0.274
Sunflowers – Oil	\$0.169	\$0.209
Wheat – Durum	\$6.32	\$7.25
Wheat – Spring	\$5.85	\$6.51



Yield Protection

- Base prices are based on futures and will be released at the beginning of March.
- Guarantee will be based on the base price.
- Production to count will be taken times the base price.
- *There is no price movement with YP.*
- This is the least expensive of the three plans.
- APH crops are paid just like YP (flax, oats, potatoes, sugar beets, etc.)



Revenue Protection

- Base prices are based on futures and will be released at the beginning of March.
- Harvest prices will be released in the fall. Harvest price is capped at two times the base price.
- *Guarantee will be based on the higher of the base price or harvest price.*
- Production to count will be taken times the harvest price.
- This is the most expensive of the three plans.



Revenue Protection with Harvest Price Exclusion

- Works just like Revenue Protection, except the *guarantee is ONLY based on the base price.* Production to count is taken times the harvest price.
- Less expensive than Revenue Protection, but not a good option if the harvest price is higher than the base price.



Premium Example: Cass County,
100 bu. APH, 75% coverage level,
\$4.00 price, 500 acres

Plan	Optional Units	Enterprise Units
YP	\$23.76	\$8.46
RPHPE	\$24.83	\$8.28
RP	\$27.95	\$9.59



Loss Example 1: Price Goes Down

- Assume 100 bu. corn yield
- Base price of \$4.00
- Harvest price of \$3.00
- Coverage level of 75%
- Harvested 70 bu. per acre

- Guarantee for YP, RP, and RPHPE is the same:
 - $100 \times 75\% \times \$4.00 = \300



Loss Example 1 cont.

- YP loss:
 - \$300 guarantee
 - 70 bu. harvested x \$4.00 base price = \$280
 - $\$300 - \$280 = \underline{\$20 \text{ loss/acre}}$

- RP and RPHPE loss paid the same:
 - \$300 guarantee
 - 70 bu. harvested x \$3.00 harvest price = \$210
 - $\$300 - \$210 = \underline{\$90 \text{ loss/acre}}$



Loss Example 2: Price Goes Up

- Assume 100 bu. corn yield
- Base price of \$4.00
- Harvest price of \$5.00
- Coverage level of 75%
- Harvested 70 bu. per acre

- Guarantee for YP, RP, and RPHPE is the same:
 - $100 \times 75\% \times \$4.00 = \300



Loss Example 2 cont.

- YP loss:
 - \$300 guarantee
 - 70 bu. harvested x \$4.00 base price = \$280
 - $\$300 - \$280 = \underline{\$20 \text{ loss/acre}}$



Loss Example 2 cont.

- RP loss:
 - \$300 guarantee no longer used
 - Recalculate guarantee based on \$5.00 harvest price
 - $100 \times 75\% \times \$5.00 \text{ harvest price} = \375
 - $70 \text{ bu. harvested} \times \$5.00 \text{ harvest price} = \350
 - $\$375 - \$350 = \underline{\$25 \text{ loss/acre}}$



Loss Example 2 cont.

- RPHPE loss:
 - \$300 guarantee
 - $70 \text{ bu. harvested} \times \$5.00 \text{ harvest price} = \350
 - $\$300 - \$350 = \underline{\text{No loss}}$



Loss Example 3: Price Goes Down, No Bushel Loss

- Assume 100 bu. corn yield
- Base price of \$4.00
- Harvest price of \$3.00
- Coverage level of 75%
- Harvested 80 bu. per acre

- Guarantee for YP, RP, and RPHPE is the same:
 - $100 \times 75\% \times \$4.00 = \300



Loss Example 3 cont.

- YP loss:
 - \$300 guarantee
 - 80 bu. harvested x \$4.00 base price = \$320
 - $\$300 - \$320 = \underline{\text{No loss}}$

- RP and RPHPE loss paid the same:
 - \$300 guarantee
 - 80 bu. harvested x \$3.00 harvest price = \$240
 - $\$300 - \$240 = \underline{\$60 \text{ loss/acre}}$



Historic Revenue Prices									
	Corn			Soybeans			Wheat		
	Base Price	Harvest Price	National Cash Price	Base Price	Harvest Price	National Cash Price	Base Price	Harvest Price	National Cash Price
	Feb	Oct		Feb	Oct		Feb	Aug	
2015	4.15			9.73			5.85		
2014	4.62	3.49	3.70	11.36	9.65	10.20	6.51	6.17	6.00
2013	5.65	4.39	4.46	12.87	12.87	13.00	8.44	7.33	6.87
2012	5.68	7.50	6.89	12.55	15.39	14.40	7.84	9.30	7.77
2011	6.01	6.32	6.22	13.49	12.14	12.50	9.89	8.90	7.24
2010	3.99	5.46	5.18	9.23	11.63	11.30	5.43	7.08	5.70
2009	4.04	3.72	3.55	8.80	9.66	9.59	6.20	5.57	4.87
2008	5.40	4.13	4.06	13.36	9.22	9.97	11.11	8.99	6.78
2007	4.06	3.58	4.20	8.09	9.75	10.10	5.23	6.61	6.48
2006	2.59	3.03	3.04	6.18	5.93	6.43	4.22	4.57	4.26
2005	2.32	2.02	2.00	5.53	5.75	5.66	3.35	3.46	3.42
2004	2.83	2.05	2.06	6.72	5.26	5.74	4.00	3.46	3.40
2003	2.42	2.26	2.42	5.26	7.32	7.34	3.64	3.77	3.40
2002	2.32	2.52	2.32	4.50	5.45	5.53	3.18	4.04	3.56
2001	2.46	2.05	1.97	4.67	4.37	4.38	3.41	3.10	2.78
2000	2.51	2.04	1.97	5.32	4.72	4.54	3.46	2.95	2.62
1999	2.40	2.01	1.82	5.11	4.85	4.63	3.53	3.33	2.48
1998	2.84	2.19	1.94	6.64	5.46	4.93	3.92	3.22	2.65
1997	2.73	2.81	2.43	6.97	6.82	6.47	3.61	4.01	3.38
1996	3.08	2.84	2.71	7.23	7.07	7.35	4.55	4.66	4.30
1995	2.57	3.23	3.24	5.85	6.56	6.77	3.46	4.53	4.55
1994	2.68	2.16	2.26	6.48	5.41	5.48	3.38	3.55	3.45
1993	2.40	2.49	2.50	5.86	6.15	6.40	3.19	3.21	3.26
1992	2.70	2.09	2.07	6.06	5.37	5.60	3.96	3.07	3.24
1991	2.59	2.51	2.37	6.15	5.60	5.58	2.86	2.85	3.00
1990	2.47	2.30	2.28	5.95	6.12	5.74	3.68	2.79	2.61
1989	2.71	2.39	2.36	7.24	5.62	5.69	4.11	3.94	3.72
1988	2.17	2.89	2.54	6.43	7.93	7.42	3.12	4.06	3.72
1987	1.69	1.83	1.94	4.71	5.38	5.88	2.62	2.65	2.57
1986	2.10	1.69	1.50	5.15	4.82	4.78	2.87	2.61	2.42
1985	2.66	2.23	2.23	6.06	5.05	5.05	3.58	3.20	3.08
1984	2.86	2.78	2.63	7.11	6.14	5.84	3.67	3.84	3.39



Thank you.
Any questions?

