



REVENUE PROTECTION (RP)

OVERVIEW

Why Revenue Protection?

- Provides minimum revenue guarantee that can increase as much as 200% if harvest price exceeds projected price.
- Premiums subsidized by federal government.
- Provides revenue loss protection due to decline in both crop prices AND yield.
- If the actual yield falls below the yield guarantee or if the actual revenue falls below the minimum or revised revenue guarantee, an indemnity is paid.

COVERAGE LEVELS

50 - 85% (in 5% increments)

COVERED PERILS

Excessive Heat, Excessive Moisture, Frost, Wind, Insect Damage, Decline in Price

Price Establishment

DISCOVERY PRICE	PROJECTED		HARVEST	
	Futures Contract	CBOT Monthly Avg.	Futures Contract	CBOT Monthly Avg.
CORN	Dec.	Feb.	Dec.	Oct.
SOYBEANS	Nov.	Feb.	Nov.	Oct.
WHEAT & COTTON	Commodity Exchange, Futures Contract, and averaging period vary by state.		Harvest price averaging period varies by variety and state.	

Coverage Cycle

Early Season

- Minimum revenue guarantee established
- Final plant date
- Late planting impact to coverage
- Replant coverages — same crop coverage
- 1st/2nd Crop
- Prevented planting coverages

Mid-Season

- Any insured peril or event that takes place between planting and harvest and impacts yield

Late Season

- Harvest price option and final revenue guarantee established
- Quality adjustment and premium subsidy payments

Premium Subsidies

67%	64%	59%	55%	48%	38%	80%	77%	68%	53%
BU & OU	BU & OU	BU & OU	BU & OU	BU & OU	BU & OU	EU	EU	EU	EU
50% coverage	55-60% coverage	65-70% coverage	75% coverage	80% coverage	85% coverage	50-70% coverage	75% coverage	80% coverage	85% coverage

By the Numbers

PREMIUM			WHAT IF?
COMMODITY	CORN	CORN	
PLAN	RP	RP	
LEVEL	80%	85%	
ACRES	100	100	
SHARE	100%	100%	
PRICE %	100%	100%	
UNIT	OU	OU	
TYPE	GRAIN	GRAIN	
PRACTICE	NON-IRR.	NON-IRR.	
OPTIONS	—	—	
PLANT PRICE	\$ 3.96	\$ 3.96	
VOLITILITY FACTOR	0.19	0.19	
T-YIELD/AREA	176.00	176.00	
RATE YIELD	190.00	190.00	
AVG/ADJ YIELD (YA)	192.00	192.00	
APH (YA, TA)	0.00	0.00	
GUAR/ACRE	153.60 BU	163.20 BU	
LIABILITY/ACRE	\$ 608	\$ 646	
PREMIUM/ACRE	\$ 15.36	\$ 25.43	
COST/BU	\$ 0.08	\$ 0.13	
TOTAL GUARANTEE	15,360 BU	16,320 BU	
TOTAL LIABILITY	\$ 60,826	\$ 64,627	
BASE PREMIUM	\$ 2,954	\$ 4,102	
GROWER PREMIUM	\$ 1,536	\$ 2,543	

* To create premium estimate scenarios as shown above, utilize the “Estimator” tool in Hudson’s eHarvest™ processing system.

LOSS/INDEMNITY			WHAT IF?
APH	190	190	
COVERAGE LEVEL	80%	85%	
OPTIONS	—	—	
PROJECTED PRICE	\$ 3.96	\$ 3.96	
HARVEST PRICE	\$ 2.90	\$ 2.90	
ACTUAL FINAL YIELD	167 BU	167 BU	
* REVENUE GUAR/AC	\$ 601.92	\$ 639.54	
* FARM REVENUE/AC	\$ 484.30	\$ 484.30	
* INDEMNITY/AC	\$ 117.62	\$ 155.24	

- * Revenue Guarantee = APH x Coverage Level x Higher of Projected or Harvest
- * Farm Revenue = Actual Yield x Harvest Price
- * Indemnity/Acre = Revenue Guarantee - Farm Revenue

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