



**HUDSON**  
INSURANCE GROUP®

# YIELD PROTECTION (YP)

## OVERVIEW

### Why Yield Protection?

- Provides protection against a loss in production below the predetermined guarantee.
- Premiums subsidized by the federal government.
- Producers may select from a variety of coverage levels to personalize their policy.

### Price Establishment

DISCOVERY PRICE	PROJECTED PRICE	
	Futures Contract	CBOT Monthly Avg.
<b>CORN</b>	Dec.	Feb.
<b>SOYBEANS</b>	Nov.	Feb.
<b>WHEAT &amp; COTTON</b>	Commodity Exchange, Futures Contract, and averaging period vary by state.	

**NOTE:** Price discovery periods may vary for different states and crops. Refer to the Commodity Exchange Price Provision (CEPP) for your specific state and crop.

### Coverage Cycle

#### Early Season

- Minimum yield 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

- Insured's final yield is determined for claim purposes
- Quality adjustment and premium subsidy payments

### Premium Subsidies

<b>67%</b>	<b>64%</b>	<b>59%</b>	<b>55%</b>	<b>48%</b>	<b>38%</b>	<b>80%</b>	<b>77%</b>	<b>68%</b>	<b>53%</b>
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

### COVERAGE LEVELS

50 - 85% (in 5% increments)

### LOSS INFORMATION

The insurance yield is based on a policyholder's actual production history, which is the average yield obtained on the insured unit for four to ten consecutive years. If the average yield per acre is less than the yield guarantee, an indemnity is paid.

### COVERED CROPS

Barley, canola, corn, cotton, grain sorghum, rice, soybeans, sunflowers and wheat

### COVERED PERILS

Drought, Excessive moisture, Frost, Hail, Wind, Tornado, Flood, Insects, Disease, Excessive temperature during pollination, Wildlife damage, Fire, Earthquake

**Also insures against revenue losses caused by a change in the harvest price from the projected price.**

#### Losses NOT Covered:

Poor farming practices, Low commodity prices, Vandalism, Theft and Specified perils excluded in some policies

## By the Numbers

PREMIUM EXAMPLES			WHAT IF?	
COMMODITY	CORN	CORN		
PLAN	YP	YP		
LEVEL	80%	85%		
ACRES	100	100		
SHARE	100%	100%		
PRICE %	100%	100%		
UNIT	OU	OU		
TYPE	GRAIN	GRAIN		
PRACTICE	NON-IRR.	NON-IRR.		
OPTIONS	—	—		
PROJECTED PRICE	\$ 3.96	\$ 3.96		
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	\$ 8.92	\$ 14.38		
COST/BU	\$ 0.05	\$ 0.07		
TOTAL GUARANTEE	15,360 BU	16,320 BU		
TOTAL LIABILITY	\$ 60,826	\$ 64,627		
BASE PREMIUM	\$ 1,716	\$ 2,319		
GROWER PREMIUM	\$ 892	\$ 1,438		

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

LOSS/INDEMNITY EXAMPLES			WHAT IF?	
APH	190	190		
COVERAGE LEVEL	80%	85%		
OPTIONS	—	—		
GUAR/ACRE	153.60 BU	163.20 BU		
PROJECTED PRICE	\$ 3.96	\$ 3.96		
ACTUAL FINAL YIELD	154 BU	154 BU		
* REVENUE GUAR/AC	\$ 608.26	\$ 646.27		
* FARM REVENUE/AC	\$ 609.84	\$ 609.84		
* INDEMNITY/AC	\$ (0)	\$ 36.43		

\* Revenue Guarantee = APH x Coverage Level x Projected Price

\* Farm Revenue = Actual Yield x Projected Price

\* Indemnity/Acre = Revenue Guarantee - Farm Revenue

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### Hudson Crop

7300 West 110th Street, Suite 400 | Overland Park, KS 66210  
T 866 450-1445 | F 913 345-1671 | [HudsonCrop.com](http://HudsonCrop.com)

