



Revenue Protection with Harvest Price Exclusion

Why Revenue Protection with Harvest Price Exclusion (RP-HPE)?

- Premiums subsidized by the federal government
- Provides revenue loss protection due to decline in crop prices, low yield or a combination of both
- Producers may select from a variety of coverage levels to personalize their policy
- Basic, Option and Enterprise Units
- Written Agreements are available
- High-Risk Land Exclusion Option (HRLEO) is available

Price Establishment

DISCOVERY PRICE	PROJECTED PRICE	
	Futures Contract	CBOT Monthly Avg.
CORN	Dec.	Feb.
SOYBEANS	Nov.	Feb.
WHEAT & COTTON	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

- Base revenue guarantee established
- Final plant date
- Late Planting, Replant and Prevented Planting requirements applicable

Mid-Season

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

Late Season

- Harvest price option established to determine final Revenue to Count for claims purposes
- Quality adjustment and premium subsidy payments

Premium Subsidies

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

80%	77%	68%	53%
EU	EU	EU	EU
50-70% coverage	75% coverage	80% coverage	85% coverage

BU = Basic Unit
OU = Optional Unit

EU = Enterprise Unit

COVERAGE LEVELS

50 - 85% (in 5% increments)

LOSS INFORMATION

A loss is realized if the projected price plus any appraised production multiplied by the projected price is less than the guarantee.

IMPORTANT: The minimum revenue guarantee will **NOT** be recalculated when harvest prices are released as the harvest prices are excluded from the RP-HPE policy's loss calculations.

COVERED CROPS

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

COVERED PERILS

Drought, excessive moisture, frost, hail, wind, insect damage, disease

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
CAT coverage not available.

By the Numbers

PREMIUM EXAMPLES			WHAT IF?	
COMMODITY	CORN	CORN		
PLAN	RP-HPE	RP-HPE		
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		
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	\$ 9.44	\$ 15.87		
COST/BU	\$ 0.05	\$ 0.08		
TOTAL GUARANTEE	15,360 BU	16,320 BU		
TOTAL LIABILITY	\$ 60,826	\$ 64,627		
BASE PREMIUM	\$ 1,815	\$ 2,560		
GROWER PREMIUM	\$ 944	\$ 1,587		

* 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	—	—		
PROJECTED PRICE	\$ 3.96	\$ 3.96		
HARVEST PRICE	\$ 2.90	\$ 4.15		
ACTUAL FINAL YIELD	167 BU	167 BU		
* REVENUE GUAR/AC	\$ 601.92	\$ 639.54		
* FARM REVENUE/AC	\$ 484.30	\$ 788.50		
* INDEMNITY/AC	\$ 117.62	\$ (0)		

* Revenue Guarantee = APH x Coverage Level x Projected Price

* Farm Revenue = Actual Yield x Harvest Price

* Indemnity/Acre = Revenue Guarantee - Farm Revenue

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