



# AGPERSPECTIVE INC

## OPTION 1: EXISTING PROGRAMS

**DIRECT PAYMENT**

**MARKETING LOAN**  
(CHANGED TO 30 DAY ROLLING AVERAGE)

**COUNTER CYCLICAL**

## OPTION 2: ACRE

**DIRECT PAYMENT AT 80%**  
\$2-\$5 reduction per acre

**MARKETING LOAN AT 70%**  
Corn \$1.95 \*.7 = \$1.37  
Soy \$5.00 \*.7 = \$3.50

**ACRE REVENUE PROGRAM**

\*You can enter the program any year during the life of the Farm Bill (2012)

\*Once you enroll you are in the program for the life of the Farm Bill

\*Payment limit = \$65,000 plus 20% of your foregone direct payment = \$73,000 is highest

\*ACRE payments are crop specific, but all crops must be enrolled

\*ACRE enrollment is by FSA Farm Number. Not all FNs need to be enrolled

\*All crops and all crop share holders will be enrolled at once

## ACRE is NOT a replacement for crop insurance

\* State and Farm must have loss

\*ACRE payments subject to limits and pay caps

\*ACRE has no harvest revenue option i.e. low yields can be offset by high prices

It is a complete replacement of Counter Cyclical payments and a partial replacement of direct payments and LDPs

### PROS

ACRE will set a higher revenue guarantee than current programs.

ACRE does a better job protecting risk when commodity prices are at historically high levels.

The higher the ACRE price is above the loan rate the better ACRE looks (soybeans especially look very attractive for ACRE)

The change to the 30 day moving average for PCP may reduce attractiveness of the LDP program.

### CONS

ACRE may have more restrictive payment limitation issues . Ideal entity size may change

ACRE revenue guarantees can decrease up to 10% per year.

ACRE has a farm level component that must be met in order to trigger payments.

Potential ACRE payments will not be paid or known until August 31<sup>st</sup> of the year after the crop is harvested .

*AgPerspective Inc. is an equal opportunity insurance provider*