



## CRC (Crop Revenue Protection)

- Protects from revenue loss caused by low yields, low prices or both.
- Yields determined by using the producers **Actual Production History (APH)**.
- **Coverage levels** vary by county, but are typically between 50%-85% in increments of 5%.
- **Basic, Optional, and Enterprise** units available.
- **Base price** figured by taking the simple average of the December Chicago Board of Trade (CBOT) futures contract during the month of February (corn- beans based on Nov. contract).

- Base price is used to determine the **Minimum Guarantee**

Ex.) APH (160 bu/ac) \* Coverage level (80%) \* Base Price (\$3.50)

Minimum Guarantee = \$448.00 gross dollars per acre

- **Final Revenue** is based on Harvest Price. The **Harvest Price** is figured by taking the simple average of the December futures contract during the month of October for corn. Soybeans are figured by taking the simple average of the November futures contract during the month of October.

Ex.) Final Yield (160 bu/ac) \* Harvest Price (\$3.50)

Final Revenue = \$560.00

- Higher of Base Price and Harvest Price is used to determine **indemnity** i.e. this how this policy protects from low prices.

### EXAMPLE

#### Spring

APH (160 bu/ac) \* Coverage level (80%) \* Base Price (\$3.50)

**Minimum Guarantee = \$448.00**

#### Fall (A)

Final Yield (130 bu/ac) \* Harvest Price (\$3.00)

**Final Revenue = \$390.00**

**Indemnity = Minimum Guarantee (\$448.00) – Final Revenue (\$390.00) = \$58.00 /ac**

*This summary is for illustration purposes only. Please consult county actuarial documents for all of the details. AgPerspective Inc. is an equal opportunity insurance provider.*



### **Fall (B)**

Final Yield (110 bu/ac) \* Harvest Price (\$4.50)

**Final Revenue = \$495.00**

*Due to the fact that the harvest price is higher than the base price the minimum guarantee is recalculated.*

APH (160 bu/ac) \* Coverage level (80%) \* Higher of Base and Harvest (\$4.50)

New Minimum Guarantee = \$576.00

**Indemnity = Minimum Guarantee (\$576.00) – Final Revenue (\$495.00) = \$81.00/ac**

Preventive Planting – 60% of the CRC guarantee will be paid if the crop can't be planted because of an insurable cause of loss.

Replant – if the crop has be replanted due to an insurable cause of loss the policy will pay 8 bu \* spring price for corn and 3 bu \* spring price for soybeans.

### **What is RA and how does it differ from CRC?**

RA (Revenue Assurance) is essentially the same policy as CRC with the following exceptions:

- 1.) The producer can choose whether or not to select the harvest price option.
- 2.) The corn Harvest Price is the simple average of the December CBOT futures contract during the month of November (October for CRC).
- 3.) ~~Harvest Price has no cap up or down. CRC is limited to \$1.50 either way.~~ (NEW for 2009- Both products have no cap on the downside and the upside cap is 200% of the base)