

GRP (Group Risk Plans)

- **GRP is yield insurance insuring county yields.**
- GRP offers **county protection** and generally **costs less** than other MPCl policies.
- **Coverage levels** are typically between 70%-90% in increments of 5%.
- **No past production records necessary.** GRP is based on county data not on individual farm records. For this reason there are also no adjusters involved in appraising losses.
- The **expected county yield** is determined by the **National Agriculture Statistics Service (NASS)** from as much as 30 years of county data, which includes adjustments for new technology, improved farming practices and other yield trends.
- **Base price** – determined in spring
- **Loss (Indemnity) Payments** are paid when the NASS county yield falls below the “trigger yield.”

Ex.) Expected County Yield (160 bu/ac) * Established Price (\$4.00) * **Multiplier (1.5)**
=

Maximum Protection = \$960.00 gross dollars per acre

The Producer decides on the 90% coverage level.

Expected County Yield (160 bu/ac) * Coverage Level (90%) =

“Trigger Yield” = 144 bu/ac

In March NASS reports the county yield at 120 bu/ac

“Trigger Yield” (144 bu/ac) – NASS county yield (120 bu/ac) = 24 bu/ac

24 / 144 = 0.167 shortfall factor

0.167 * Max Protection \$960.00 = \$160.32/ac

LOSS PAYMENT = \$160.32 per acre

WILL ONLY PAY WHEN THERE IS A YIELD LOSS!

GRP Restrictions/Drawbacks

- **GRP does not provide prevented planting, late planting, or replant payments.**
- **It is possible for a producer to have a low average or even a wipe out and not collect if the county average is not affected.**
- **Does not offer all of the benefits of other MPCl policies in a producers marketing program i.e. there is not actual guarantee on your farm.**
- **The purchase of hail insurance is strongly advised.**

Where does GRP fit?

- **For producers who have average to above average producing land or irrigated land.**
- **For producers who are not highly leveraged.**
- **For land that is lacking production history and the producer is forced to use T-yields.**
- **For producers who want the highest coverage level as inexpensively as possible.**
- **Where a simple plan is desired. The only paper work needed for GRP is an application and an acreage report.**