



Revenue Insurance Floor Reviewed

Because new crop prices offered are now near or below many producers expected cost of production we will continue to look at how your revenue insurance provides a floor. The tables show the effective guarantee value per bushel if you grow a crop equal to your Guarantee Yield. Because you have grown a crop it will be sold in the cash market and the basis at the time of the sale will impact your net price. The cash equivalent shown is an example of a revenue floor established by using the base price, your coverage level elected, local basis for growing a crop equal to your guarantee yield.

2010 Corn	Revenue Insurance floor			\$3.99 Base	
Coverage Election	65%	70%	75%	80%	85%
Effective Guarantee	\$ 2.59	\$ 2.79	\$ 2.99	\$ 3.19	\$ 3.39
Local Basis	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)
Cash Equivalent	\$ 2.09	\$ 2.29	\$ 2.49	\$ 2.69	\$ 2.89

2010 Soybeans	Revenue Insurance floor			\$9.23 Base	
Coverage Election	65%	70%	75%	80%	85%
Effective Guarantee	\$ 6.00	\$ 6.46	\$ 6.92	\$ 7.38	\$ 7.85
Basis	\$ (0.70)	\$ (0.70)	\$ (0.70)	\$ (0.70)	\$ (0.70)
Cash Equivalent	\$ 5.30	\$ 5.76	\$ 6.22	\$ 6.68	\$ 7.15

2010 Spring Wheat	Revenue Insurance floor			\$5.43 Base	
Coverage Election	65%	70%	75%	80%	85%
Effective Guarantee	\$ 3.53	\$ 3.80	\$ 4.07	\$ 4.34	\$ 4.62
Basis	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)	\$ (0.45)
Cash Equivalent	\$ 3.08	\$ 3.35	\$ 3.62	\$ 3.89	\$ 4.17

This concept is the heart of the revenue protection provided by your revenue insurance policy. If you have questions about what is shown contact your MWAS Advisor/Agent for clarification.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination write to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call 800-795-3272 (voice), or 202-720-6382 (TDD). USDA is an equal opportunity provider and employer. MWAS is an equal opportunity provider and employer.

The information contained herein was obtained from sources believed to be reliable, but cannot be guaranteed. FC Stone may have contributed to this report. All examples given are strictly hypothetical and neither the information, nor any opinion expressed, constitutes a solicitation to market commodities or buy or sell futures or options on futures. Past financial performance and results are not indicative of, nor do they guarantee, future performance. Commodity marketing and trading has inherent risks. Trading and/or marketing decisions, as well as any gains or losses thereof, are the sole responsibility of the commodity owner, producer, and or account holder. Minnesota West Ag. Services, LLC, its principals and employees, assume no liability for any use of any information contained herein. Reproduction without authorization is forbidden.