RP

Definitions

Projected Price*

Corn - Average closing price of December Futures Contract of the Chicago Board of Trade (CME) during the month of February.

Beans - Average closing price of November Futures Contract of the CME during the month of February.

Wheat – Commodity Exchange, Futures contract and average period vary by variety by state. See your agent for details.

Harvest Price*

Corn - Average closing price of December Futures Contract of the CBOT during the month of October.

Beans - Average closing price of November Futures Contract of the CBOT during the month of October.

Wheat – Harvest price average period varies by variety by state. See your agent for details.

Harvest Price is limited to 200% of the Projected Price.

Crop Insurance Actual Revenue

Actual Harvested Yield x Harvest Price. Local basis is not considered.

APH (Actual Production History)

The yield information for previous years, including planted acreage and harvested production, used to determine your yield for insurance purposes.

Level of Coverage

50% to 85% in 5% increments. (Some coverage levels are not available in all counties)

**Note that projected and harvest price examples are for Central US Corn and Beans, check with your agent for your specific state.*

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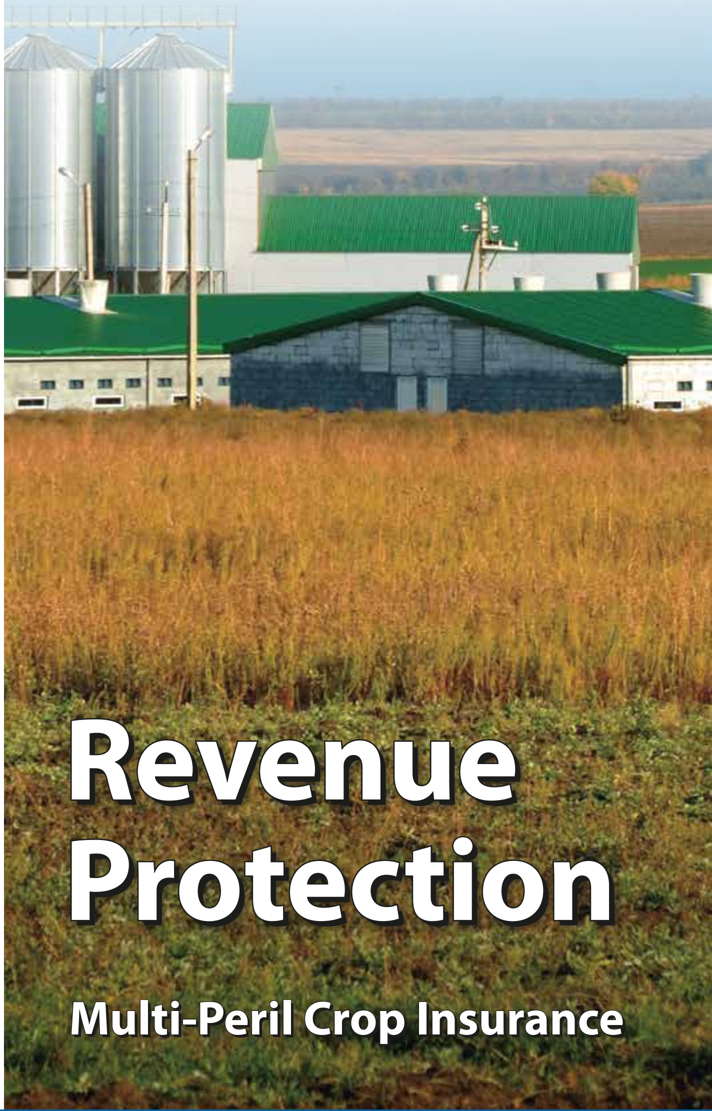

Revenue Protection

Multi-Peril Crop Insurance

Expect More.

Diversified Crop Insurance Services

What is Revenue Protection?

A Revenue Protection (RP) policy protects a policyholder's income when the crop insurance revenue falls below the guaranteed crop insurance revenue. It provides coverage to protect against loss of revenue caused by low prices, low yields or a combination of both.

How Does RP Work?

Revenue Protection (RP) uses futures market prices and your approved APH (Actual Production History) yields to compute your crop insurance revenue guarantee. The projected price for each crop is determined by the Commodity Exchange Price Provisions. In the central US, for example the Corn Projected Price is established during February using the average of the daily closes for December corn futures on the CME. Central US Soybeans use the CME November futures contract.

Price Coverage

The minimum crop insurance revenue guarantee on an RP policy is computed by multiplying the projected price by the APH yield for your unit, by your chosen coverage level (50 to 85 percent). Your actual crop insurance revenue is computed by multiplying your actual yield by the crop insurance harvest price. You become eligible for an indemnity payment when your actual crop insurance revenue falls below your minimum or revised crop insurance revenue guarantee. The payment is equal to the difference.

Yield Guarantee

The RP policy always pays a claim if your actual yield falls below your yield guarantee. Your yield guarantee is computed by multiplying your APH yield for your unit, by your chosen coverage level (50 to 85 percent).

Minimum Revenue Guarantee

RP provides a Minimum Crop Insurance Revenue Guarantee that can increase as much as 200% over the minimum guarantee if the crop insurance harvest price is higher than the projected price. This benefit gives producers peace of mind to hedge or forward contract guaranteed bushels knowing that they will get what they hedged or forward contracted their crops for plus an indemnity payment to cover financial obligations to their brokerage account or grain buyer should they have a production shortfall.

Revenue Protection with Harvest Price Exclusion (RP-HPE)

You can elect to purchase RP insurance with a Harvest Price Exclusion (HPE). If you choose this option your minimum crop insurance revenue guarantee **will not be recalculated** should the harvest price end up being higher than the projected price. Therefore you have **no crop insurance protection against price increases** that create financial obligations from guaranteed bushels hedged or forward contracted.

Please note that local basis is NOT considered in the calculation of the crop insurance revenue guarantee or actual crop insurance revenue.

RP Guarantee Example

175 Bu/Acre (APH or TA APH) x 85% (Coverage Level) = 148.8 (Yield Guarantee)

x $4.04 (Projected Price) = $600.95 (Minimum Revenue Guarantee)

RP Indemnity Example

Questions to ask before starting calculations:

1. Did the farm have a Yield loss (< coverage level % times APH)? If so, there will be a claim.
2. Did the farm have a Yield gain? There still could be a claim if the price fell a significant amount from projected to harvest time frame.
3. Did price decrease or stay unchanged from the projected price? If so, skip to Step 2.
4. Did price increase from the projected price? If so, and if yield increased, there will be no claim. If so, and yield decreased, there could still be a claim. Begin with Step 1 to calculate revised revenue guarantee.

Step 1: Calculate Revised Revenue Guarantee.

175 Bu/Acre (APH or TA APH) x 85% (Coverage Level) = 148.8 (Yield Guarantee)

x $3.54 (Harvest Price) = $526.75 (Revised Revenue Guarantee)

Step 2: Calculate Actual Crop Insurance Farm Revenue and Indemnity per Acre.

150 Bu/Acre (Actual Farm Yield) x $3.54 (Harvest Price) = $531.00 (Actual CI Farm Revenue);

$600.95 (Revenue Guarantee (Higher of Minimum or Revised)) – $531.00 (Actual CI Farm Revenue) = $69.95 (Revenue Loss = Indemnity per Acre)

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