How is APH computed?

Your APH yield is based upon your unit's actual production history and/or assigned yields. This yield is an average of four to ten consecutive crop years.

If you cannot prove four consecutive years of yields, "T yields" will be substituted for the missing years. The T yields are equal to the most recent 10-year county average, thus this number varies by county.

If only one year of the four is missing, the variable T yield is used for the missing year. However, if two or more years are missing, you can use only a percentage of the T yield, as shown below.

1 year missing - use 100% of T yield
2 years missing - use 90% of T yield
3 years missing - use 80% of T yield
4 years missing - use 65% of T yield

Example:

Crop: Corn	**Level of Coverage:** 85%
Acres: 100	**Projected Price:** $4.00
APH: 160	**Harvest per acre:** 120 bu.

160 bu. x 85% = 136 bu.
You will have a 136 bushel guarantee.

136 bu. – 120 bu. = 16 bu per acre yield loss

16 bu. x $4.00 = $64.00 x 100 acres = $6,400.
Your total indemnity payment is $6,400.

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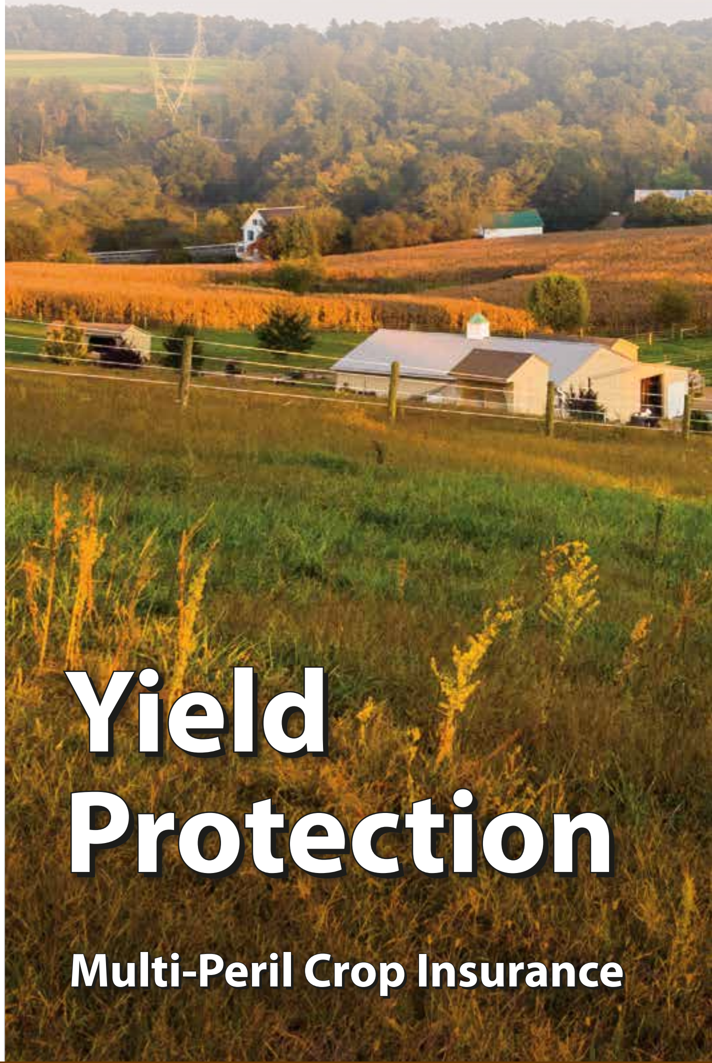

Yield Protection

Multi-Peril Crop Insurance

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What is Yield Protection?

A Yield Protection (YP) policy protects a policyholder against a loss in yield. A payment will be made when the actual yield falls below the yield guarantee, which is based on the insured's share of the approved actual production history on the unit covered.

How Does YP Work?

To find your yield guarantee, you multiply your APH by the level of coverage you choose. If your actual harvested yield falls below your yield guarantee on the unit, you are eligible for an indemnity. This indemnity is paid at a level equal to your yield loss per acre multiplied by the Projected Price that is established by the average futures closing price for the harvest month during the projected price averaging period or by the USDA's Risk Management Agency for crops not traded on a futures exchange.

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.

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

Units

Optional, Basic, or Enterprise units are available in most areas.

Level of Coverage

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

What Types of Yield Loss are Covered by YP?

The YP policy covers unavoidable production losses such as drought, excessive moisture, hail, wind, frost/freeze, tornado, lightning, flood, insect infestation, plant disease, excessive temperature during pollination, wildlife damage, and certain other causes. (Refer to the policy for clarification.) YP does not cover losses resulting from poor farming practices, low commodity prices, vandalism or theft.

Late Planting Coverage

Late planting coverage is included as an automatic feature in most YP policies. With most crops, there is a 20 to 25 day late planting period. It starts on the "Last Planting Date (These dates vary by region - See the policy for details.) The production guarantee is reduced 1 percent per day until the end of the Late Planting Period for a maximum reduction of 25 percent.

If unable to plant until after the late planting period due to an insurable cause of loss, the insured crops will be covered at a percentage, which varies by crop, of the original production guarantee for timely planted acreage.

Prevented Planting Coverage

Prevented Planting (PP) coverage is also included as an automatic feature in most YP policies. If you are prevented from planting a crop due to an insurable cause of loss, PP provides coverage at a percentage, which varies by crop, of the original production guarantee for timely planted acreage.

There are limitations in regards to any second crop being planted on the PP acres.

Prevented planting provisions require at least 20 acres (or 20% of the acreage intended to be planted in the unit, which ever is less) to be affected.

Replant Payment

If an insured crop is severely damaged for a reason due to an insured peril and will not produce at least 90% of the guaranteed yield, insured can receive a replanting payment. The maximum replant coverage is equal to 20% of your share of the guaranteed yield (up to 8 bushels for corn and 3 bushels for soybeans) multiplied by the price election chosen in the policy. The replant payment is not available for catastrophic level coverage.

Note: No claim can be paid until there is an approved schedule of insurance which requires producer to turn in a complete and timely dated acreage report. All indemnity payments (except Replant Payments) by RMA rules, must be deducted from any outstanding premium due on federal crop insurance policies before a check can be prepared for the insured. All claims over $200,000 per crop require a three year audit of the insured's actual production history.

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