

RP

Revenue Protection (02)



Subsidiary of Sampo Holdings, Inc.

armt.com

2019

Overview

Revenue Protection (RP) is one of the plans offered under the Common Crop Insurance Policy Basic Provisions, along with Yield Protection and Revenue Protection with Harvest Price Exclusion. Common Crop Insurance Policy plans focus on simplicity in terms of choices, resulting in a clear understanding of the crop insurance product.

Revenue Protection provides protection against a loss of revenue

caused by price increase or decrease, low yields, or a combination of both (for corn silage and rapeseed, protection is only provided for production losses). This coverage guarantees an amount based on the individual producer's APH and the greater of either the projected price or harvest price.

Under this policy, an indemnity is due when the calculated revenue (production to count x harvest price) is less than the revenue protection guarantee for the crop acreage.

Availability

Affected crops include wheat, barley (including malting barley), corn, grain sorghum, soybeans, cotton, rice, sunflowers, canola/rapeseed, cabbage, forage seeding, raisins, fresh market sweet corn, fresh market tomatoes, peppers, sugar beets, and onions.

Advantages of Risk Management Tools

Management of yield and price risk through the purchase of crop insurance transfers risk from you to others. Crop insurance protects crop investment, borrowed capital, and current savings. Crop insurance also provides collateral to lending institutions, stabilizes income, and provides an added peace of mind.

This summary is for general illustration purposes only.

For more information, consult your crop insurance agent to obtain specific information regarding practices, options, planting dates, and other deadlines. Read the Policy Provisions before making your decision on any crop insurance product. Policy Provisions are available from your insurance agent.

Price and Payment Determination

Both the projected price and harvest price are established according to the crop's applicable commodity board of trade/exchange as defined in the Commodity Exchange Price Provisions (CEPP). While the revenue protection guarantee may increase, the premium will not. The projected price is used to calculate the premium and replant payment or prevented planting payment.

The price discovery period, release dates, board of trades utilized, and additional pricing information will be contained in the CEPP and is available at armt.com or rma.usda.gov.

Loss Examples

Price Increase

Production Loss	NO Production Loss	Projected Price = \$5.65 Harvest Price = \$7.00
60	60 Bu/Ac	
X 0.85	X 0.85	Coverage Level
51	51 Bu/Ac	Production Guarantee
X \$7.00	X \$7.00	Higher of Proj. Price or Harv. Price
\$357	\$357	Yield Protection Guarantee/Acre
40	60 Bu/Ac	Harvested Production
X \$7.00	X \$7.00	Announced Harvest Price
\$280	\$420	Value of Production to Count
\$357	\$357	Yield Protection Guarantee/Acre
- \$280	- \$420	Value of Production to Count
\$77	---	Per Acre Loss Payment

Price Decrease

Production Loss	NO Production Loss	Projected Price = \$5.65 Harvest Price = \$4.55
60	60 Bu/Ac	
X 0.85	X 0.85	Coverage Level
51	51 Bu/Ac	Production Guarantee
X \$5.65	X \$5.65	Higher of Proj. Price or Harv. Price
\$288	\$288	Yield Protection Guarantee/Acre
40	60 Bu/Ac	Harvested Production
X \$4.55	X \$4.55	Announced Harvest Price
\$182	\$273	Value of Production to Count
\$288	\$288	Yield Protection Guarantee/Acre
- \$182	- \$273	Value of Production to Count
\$106	\$15	Per Acre Loss Payment