

Risk Management



**Farm Credit Services
of America**

Production Hail Coverage

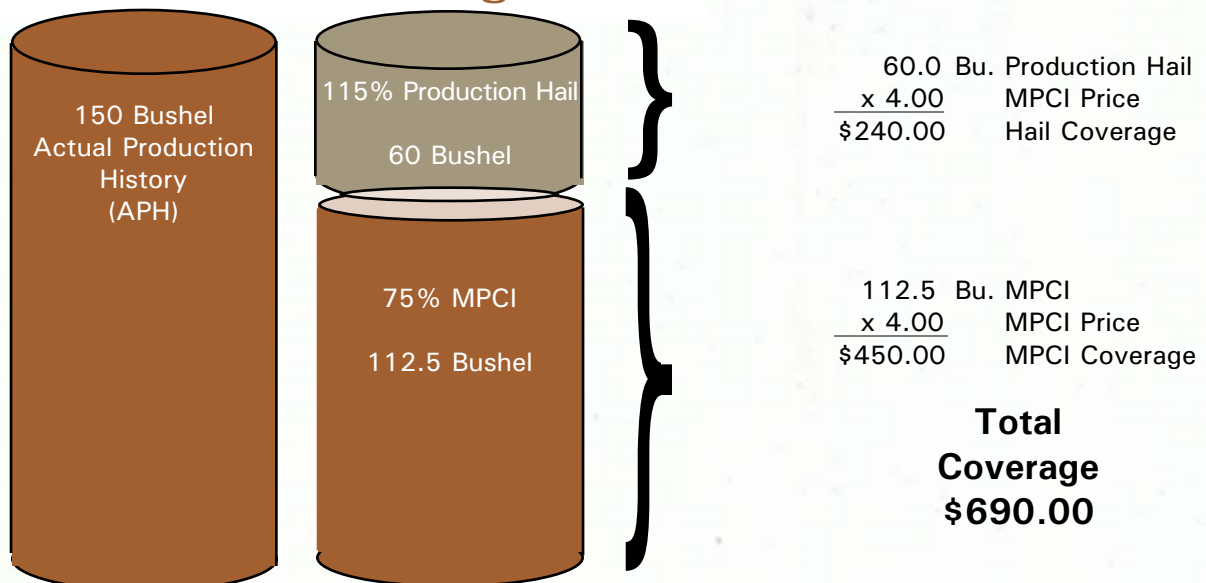
Cost Effective Protection To Cover Your Investment In Your Crops

The Production Hail crop hail policy is an efficient alternative to more traditional hail insurance plans. With Production Hail, coverage is strategically concentrated on the part of your yield that is left exposed with Multiple Peril Crop Insurance (MPCI), Revenue Assurance (RA) or Crop Revenue Coverage (CRC).

- Protects the top portion of your crop – the portion where profits are often counted.
- Maximizes your coverage so you do not double cover your crops.
- Available through multiple crop hail companies.

Coverage Options	Price Options	Unit Options
<ul style="list-style-type: none"> ✓ Cover your maximum yield potential ✓ Available at 100%, 110%, 115%, 120% (115% and 120% limited to specific crops, companies, states) 	<ul style="list-style-type: none"> ✓ Select the coverage and premium ✓ Available at 50% to 100% of MPCI/RA/CRC price 	<ul style="list-style-type: none"> ✓ Coverage based on unit structure selected with MPCI/RA/CRC policy ✓ Some companies allow for enterprise units to be separate for loss purposes, similar to optional units

Production Hail Coverage



Production Hail Loss Example

Federal Crop Insurance	
Approved Yield per Acre	150
MPCI Coverage Level	<u>75%</u>
MPCI Production Guarantee / Acre	112.5
RA / CRC Base Price	\$4.00
Share	<u>100%</u>
Federal Crop Ins. / Acre	\$450.00

Hail Production Plan	
Modified APH 100% - 120%	115%
Modified APH Bushel / Acre	<u>172.5</u>
Production Plan Bushels	60
MPCI Price Election	\$4.00
% of Price of Election	<u>100%</u>
Production Plan Ins. /Acre	\$240.00

Total Coverage (\$450 + \$240) = \$690.00

Production Loss	
Bushels per Acre	172.5
Acres x	<u>100</u>
Guaranteed Bushels	17,250
Bushels Harvested -	<u>15,500</u>
Bushels Short of Guarantee =	1,750
Total Bushels ÷	<u>17,250</u>
% Production Loss =	10.14%
Bushel Below APH	1,750
Price Election x	<u>\$4.00</u>
Indemnity Paid	\$7,000

Appraised Loss	
Total Bushels	17,250
Appraised % Loss* x	<u>15.00%</u>
Appraised Bushel Short =	2,587.5
Price Election x	<u>\$4.00</u>
Indemnity Paid =	\$10,350

Indemnity Paid = \$7,000

(Loss paid at the lower of either the Production Loss or the Appraised Loss)

*Minimum 5% appraised loss to qualify for indemnity

A Team of Specialists

You need customized risk protection that fits your unique needs. Our insurance specialists can bring you the expertise and personal attention you deserve.

For more information on Production Hail or our crop insurance plans, contact your area representative, call toll free 1-800-884-FARM, or visit our web site at www.cropinsurancespecialists.com.



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