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District 90, Southeast KS, GRIP\GRP County Wheat Yield Analysis¹

Below are GRIP\GRP county yield analyses. The Kansas Counties are listed by crop reporting district, so if your county is not on this list it is on one of the other list posted on AgManager.info. There are 6 Kansas counties that do not have a GRIP/GRP wheat offer.

The analysis counts the historical observed yield, adjusted for trend yield, against the RMA 2007, expected county yield. All observed yields adjusted for trend were restricted to positive values only, i.e. no negative county trends were included. Because of improved technology, calculating payments based a 30 year old observed yield will likely over state future indemnity payments therefore the historical observed yields were adjusted for trend. The negative trends were rejected because that would require negative technology. More likely any calculated negative trend yield was caused by recent weather disasters.

The historical prices were used with no adjustments to calculate indemnity payments. The assumption is future market prices will follow the same pattern and the market is efficient. The annual premiums were calculated based on the 2007 expected yields, volatility, and historical prices.

Kansas wheat growers should think about the following issues before purchasing GRIP or GRP:

¹Prepared by G.A. (Art) Barnaby, Jr., Professor, Department of Agricultural Economics, K-State Research and Extension, Kansas State University, Manhattan, KS 66506, September 19, 2006, Phone 785-532-1515, e-mail – barnaby@ksu.edu

1. In years when your yields are low are the county yields also low? If your yields do not track with the county then you will not transfer risk.
2. Can you afford to wait on any indemnity payment until about 10 months after harvest?
3. Can you afford the yield basis risk?
4. Will your lender accept the GRIP/GRP contract for insurance?
5. Is the expected farmer paid loss ratio less than 1.00 in the analysis shown below? If it is below 1.00 then farmers over the long run would expect their premiums paid to exceed their indemnity payments, clearly not a good buy without transferring risk.
6. Is the expected Industry loss ratio less than 1.00 in the analysis below? If this loss ratio is less than 1.00 then farmers over the long-run would not expect to collect all of the premium subsidies in the GRIP/GRP contract but their expected indemnities will exceed their farmer paid premiums.
7. If your APH yield is “reasonable” then it may not pay to switch to GRIP\GRP even if the county is projecting an underwriting loss.

Table 1. Allen County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 37.8 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150%		Maximum Liability					90%					90%						
County ¹		Observed	Cov	GRP			Coverage			GRIP-			11.8%					
Havst	Plant	Trend	GRP	APH ³	GRP	7.8%	Net	Plant ³	GRIP	Havst ³	Pymt	GRIP	10.1%	Net	HRO	GRIP-	GRIP-	HRO
Yr	Yd	Yd ²	Pymt	Price	Pymt	Prem	Pymt	Price	Price	Price	Rate	Pymt	Prem	Pymt	Rate	Pymt	Prem	Pymt
73	31	29	38.8	0.0%	2.00	0.00	8.86	(3.99)	1.88	2.59	0.0%	0.00	10.70	(4.82)	0.0%	0.00	12.57	(5.66)
74	26	25	33.6	1.1%	2.00	1.24	8.86	(2.75)	3.75	4.05	0.0%	0.00	21.38	(9.62)	1.1%	2.51	25.12	(8.79)
75	23	20	29.2	14.0%	2.50	19.90	11.07	14.92	4.38	3.15	38.1%	94.69	24.97	83.46	38.1%	94.69	29.34	81.49
76	25	24	32.1	5.6%	2.50	7.90	11.07	2.92	4.28	3.76	17.1%	41.40	24.38	30.43	17.1%	41.40	28.65	28.51
77	31	28	36.6	0.0%	2.50	0.00	11.07	(4.98)	3.56	2.36	28.7%	58.01	20.29	48.88	28.7%	58.01	23.84	47.29
78	27	24	32.2	5.5%	2.50	7.75	11.07	2.77	2.50	3.05	0.0%	0.00	14.22	(6.40)	5.5%	9.45	16.71	1.93
79	40	40	47.3	0.0%	3.00	0.00	13.28	(5.98)	3.06	4.09	0.0%	0.00	17.43	(7.84)	0.0%	0.00	20.49	(9.22)
80	41	40	47.0	0.0%	3.50	0.00	15.50	(6.97)	4.25	4.09	0.0%	0.00	24.23	(10.90)	0.0%	0.00	28.47	(12.81)
81	33	32	38.7	0.0%	3.50	0.00	15.50	(6.97)	4.88	4.22	1.7%	4.79	27.81	(7.73)	1.7%	4.79	32.68	(9.92)
82	28	23	29.7	12.7%	4.50	32.33	19.93	23.36	4.56	3.64	30.2%	78.06	25.96	66.38	30.2%	78.06	30.51	64.33
83	33	31	37.8	0.0%	4.00	0.00	17.71	(7.97)	3.92	3.58	0.0%	0.00	22.36	(10.06)	0.0%	0.00	26.28	(11.83)
84	37	35	41.5	0.0%	4.00	0.00	17.71	(7.97)	4.05	3.65	0.0%	0.00	23.08	(10.39)	0.0%	0.00	27.13	(12.21)
85	27	26	31.9	6.2%	3.75	13.16	16.61	5.69	3.54	3.20	15.0%	30.19	20.16	21.12	15.0%	30.19	23.69	19.53
86	26	7	12.7	62.8%	3.30	117.42	14.61	110.84	2.74	2.44	66.9%	104.01	15.62	96.98	66.9%	104.01	18.36	95.75
87	33	25	30.3	11.0%	2.60	16.28	11.51	11.10	2.39	2.64	1.7%	2.36	13.61	(3.77)	11.0%	16.52	15.99	9.32
88	37	35	40.0	0.0%	2.60	0.00	11.51	(5.18)	2.78	3.79	0.0%	0.00	15.84	(7.13)	0.0%	0.00	18.61	(8.38)
89	38	37	42.0	0.0%	3.00	0.00	13.28	(5.98)	3.65	4.14	0.0%	0.00	20.78	(9.35)	0.0%	0.00	24.42	(10.99)
90	26	25	29.5	13.4%	3.45	26.15	15.28	19.28	3.69	3.29	22.8%	47.67	21.02	38.21	22.8%	47.67	24.70	36.55
91	29	29	32.9	3.4%	3.00	5.76	13.28	(0.22)	3.07	2.86	10.1%	17.55	17.50	9.67	10.1%	17.55	20.56	8.30
92	39	37	41.0	0.0%	3.00	0.00	13.28	(5.98)	3.05	3.59	0.0%	0.00	17.37	(7.82)	0.0%	0.00	20.41	(9.18)
93	18	16	19.7	42.1%	3.00	71.57	13.28	65.60	3.20	2.87	48.0%	87.13	18.23	78.93	48.0%	87.13	21.43	77.49
94	36	35	38.3	0.0%	3.25	0.00	14.39	(6.48)	3.00	3.37	0.0%	0.00	17.12	(7.70)	0.0%	0.00	20.12	(9.05)
95	20	19	22.2	34.6%	3.35	65.75	14.83	59.08	3.52	4.24	21.3%	42.48	20.08	33.45	34.6%	83.27	23.59	72.65
96	23	22	24.6	27.7%	3.55	55.85	15.72	48.78	3.91	5.76	0.0%	0.00	22.26	(10.02)	27.7%	90.60	26.16	78.83
97	46	45	47.0	0.0%	4.28	0.00	18.95	(8.53)	4.13	3.64	0.0%	0.00	23.51	(10.58)	0.0%	0.00	27.63	(12.43)
98	39	39	40.6	0.0%	4.28	0.00	18.94	(8.52)	3.95	3.04	8.1%	18.23	22.51	8.10	8.1%	18.23	26.45	6.32
99	36	35	36.6	0.0%	4.06	0.00	17.98	(8.09)	3.16	2.84	3.2%	5.79	17.99	(2.31)	3.2%	5.79	21.14	(3.72)
00	40	39	40.3	0.0%	3.67	0.00	16.24	(7.31)	3.34	3.02	0.0%	0.00	19.04	(8.57)	0.0%	0.00	22.38	(10.07)
01	49	45	46.5	0.0%	2.83	0.00	12.55	(5.65)	3.31	3.07	0.0%	0.00	18.86	(8.49)	0.0%	0.00	22.16	(9.97)
02	32	31	31.4	7.6%	3.28	14.17	14.52	7.63	3.34	3.09	14.5%	27.53	19.03	18.96	14.5%	27.53	22.37	17.46
03	49	48	48.8	0.0%	3.06	0.00	13.53	(6.09)	3.73	3.14	0.0%	0.00	21.25	(9.56)	0.0%	0.00	24.98	(11.24)
04	36	35	35.3	0.0%	3.28	0.00	14.52	(6.53)	3.40	3.77	0.0%	0.00	19.37	(8.72)	0.0%	0.00	22.77	(10.25)
05	25	23	22.6	33.7%	3.94	75.31	17.47	67.45	3.56	3.28	38.9%	78.50	20.29	69.37	38.9%	78.50	23.84	67.77
06 ⁵	35	35.3	0.0%	3.11	0.00	13.78	(6.20)	3.52	4.81	0.0%	0.00	20.06	(9.03)	0.0%	0.00	23.57	(10.61)	

NASS 33 & 20 Years Simple Average Yield																			

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP\GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPC-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 2. Bourbon County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 38.4 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150%		Maximum Liability		90%		90%		90%		90%		90%		90%		90%		90%	
County ¹		Observed	Coverage	Coverage		Coverage		Coverage		Coverage		Coverage		Coverage		Coverage		Coverage	
Yr	Yd	Trend Yd ²	GRP Pymt Rate	APH ³ Price	GRP Pymt	7.8% GRP Prem	Net GRIP Pymt	Plant ³ Price	Havst ³ Price	GRIP Pymt Rate	GRIP Pymt	11.8% GRIP ⁴ Prem	Net GRIP Pymt	HRO Pymt Rate	GRIP-HRO Pymt	GRIP-HRO ⁴ Prem	HRO Pymt		
73	25	20	35.8	0.0%	2.00	0.00	9.02	(4.06)	1.88	2.59	0.0%	0.00	12.72	(5.72)	0.0%	0.00	14.34	(6.45)	
74	26	25	39.6	0.0%	2.00	0.00	9.02	(4.06)	3.75	4.05	0.0%	0.00	25.41	(11.43)	0.0%	0.00	28.65	(12.89)	
75	23	22	36.2	0.0%	2.50	0.00	11.28	(5.07)	4.38	3.15	24.6%	62.12	29.68	48.76	24.6%	62.12	33.47	47.06	
76	22	21	35.0	0.0%	2.50	0.00	11.28	(5.07)	4.28	3.76	11.1%	27.35	28.98	14.31	11.1%	27.35	32.67	12.65	
77	26	20	33.9	1.9%	2.50	2.80	11.28	(2.28)	3.56	2.36	35.1%	72.01	24.11	61.16	35.1%	72.01	27.19	59.78	
78	24	20	32.9	4.7%	2.50	6.80	11.28	1.72	2.50	3.05	0.0%	0.00	16.91	(7.61)	4.7%	8.29	19.06	(0.29)	
79	36	35	47.2	0.0%	3.00	0.00	13.53	(6.09)	3.06	4.09	0.0%	0.00	20.72	(9.33)	0.0%	0.00	23.37	(10.51)	
80	36	34	46.4	0.0%	3.50	0.00	15.79	(7.10)	4.25	4.09	0.0%	0.00	28.80	(12.96)	0.0%	0.00	32.47	(14.61)	
81	32	31	42.3	0.0%	3.50	0.00	15.79	(7.10)	4.88	4.22	0.0%	0.00	33.06	(14.88)	0.0%	0.00	37.27	(16.77)	
82	24	21	31.8	7.9%	4.50	20.58	20.30	11.45	4.56	3.64	26.4%	69.38	30.86	55.49	26.4%	69.38	34.80	53.72	
83	32	28	38.3	0.0%	4.00	0.00	18.04	(8.12)	3.92	3.58	0.0%	0.00	26.58	(11.96)	0.0%	0.00	29.97	(13.49)	
84	31	28	37.6	0.0%	4.00	0.00	18.04	(8.12)	4.05	3.65	2.0%	4.78	27.44	(7.57)	2.0%	4.78	30.94	(9.14)	
85	25	22	31.7	8.1%	3.75	17.58	16.91	9.97	3.54	3.20	16.8%	34.26	23.96	23.48	16.8%	34.26	27.02	22.10	
86	18	6	14.6	57.7%	3.30	109.59	14.88	102.90	2.74	2.44	62.4%	98.51	18.57	90.16	62.4%	98.51	20.94	89.09	
87	24	18	26.6	23.2%	2.60	34.67	11.73	29.40	2.39	2.64	15.1%	20.80	16.18	13.52	23.2%	35.18	18.24	26.97	
88	31	29	37.4	0.0%	2.60	0.00	11.73	(5.28)	2.78	3.79	0.0%	0.00	18.83	(8.47)	0.0%	0.00	21.23	(9.55)	
89	39	38	45.3	0.0%	3.00	0.00	13.53	(6.09)	3.65	4.14	0.0%	0.00	24.70	(11.11)	0.0%	0.00	27.85	(12.53)	
90	22	20	27.4	20.7%	3.45	41.18	15.56	34.18	3.69	3.29	29.3%	62.35	24.99	51.11	29.3%	62.35	28.18	49.67	
91	20	16	23.0	33.4%	3.00	57.73	13.53	51.64	3.07	2.86	38.0%	67.25	20.80	57.89	38.0%	67.25	23.45	56.70	
92	40	37	42.9	0.0%	3.00	0.00	13.53	(6.09)	3.05	3.59	0.0%	0.00	20.65	(9.29)	0.0%	0.00	23.28	(10.48)	
93	22	18	24.2	30.0%	3.00	51.79	13.53	45.70	3.20	2.87	37.2%	68.49	21.68	58.74	37.2%	68.49	24.44	57.49	
94	37	35	40.6	0.0%	3.25	0.00	14.66	(6.60)	3.00	3.37	0.0%	0.00	20.35	(9.16)	0.0%	0.00	22.95	(10.33)	
95	18	15	19.9	42.6%	3.35	82.12	15.11	75.32	3.52	4.24	30.8%	62.56	23.86	51.82	42.6%	103.99	26.91	91.88	
96	34	34	38.0	0.0%	3.55	0.00	16.01	(7.20)	3.91	5.76	0.0%	0.00	26.47	(11.91)	0.0%	0.00	29.84	(13.43)	
97	40	38	42.3	0.0%	4.28	0.00	19.30	(8.68)	4.13	3.64	0.0%	0.00	27.95	(12.58)	0.0%	0.00	31.51	(14.18)	
98	31	30	33.8	2.1%	4.28	5.23	19.29	(3.45)	3.95	3.04	24.7%	56.19	26.76	44.15	24.7%	56.19	30.17	42.62	
99	28	27	30.2	12.6%	4.06	29.44	18.31	21.20	3.16	2.84	21.5%	39.00	21.38	29.38	21.5%	39.00	24.11	28.15	
00	39	36	38.4	0.0%	3.67	0.00	16.54	(7.44)	3.34	3.02	0.0%	0.00	22.64	(10.19)	0.0%	0.00	25.52	(11.49)	
01	52	48	49.9	0.0%	2.83	0.00	12.78	(5.75)	3.31	3.07	0.0%	0.00	22.42	(10.09)	0.0%	0.00	25.28	(11.38)	
02	34	32	33.3	3.7%	3.28	6.96	14.78	0.30	3.34	3.09	10.9%	20.96	22.62	10.78	10.9%	20.96	25.51	9.48	
03	54	52	53.2	0.0%	3.06	0.00	13.78	(6.20)	3.73	3.14	0.0%	0.00	25.27	(11.37)	0.0%	0.00	28.49	(12.82)	
04	38	35	35.3	0.0%	3.28	0.00	14.78	(6.65)	3.40	3.77	0.0%	0.00	23.03	(10.36)	0.0%	0.00	25.97	(11.69)	
05	38	32	32.1	7.3%	3.94	16.49	17.79	8.49	3.56	3.28	14.6%	29.84	24.11	18.99	14.6%	29.84	27.19	17.61	
06 ⁵	33	33.3	3.7%	3.11	6.68	14.03	0.36	3.52	4.81	0.0%	0.00	23.84	(10.73)	3.7%	10.33	26.88	(1.77)		

NASS 33 & 20 Years Simple Average Yield	33	20	Years
	28.0	34.4	38.4 RMA Expted County Yield
Farmer Paid Loss Ratio	2.19		
Frequency of Claim	44%		
Industry Loss Ratio	0.99		
Break Even Premium Rate	7.7%		

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPC-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 3. Butler County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 39.5 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150% County ¹	Maximum Liability 0.362978		90% Cov	90% Coverage										90% GRIP- HRO	10.5% GRIP- HRO ⁴	GRIP- HRO			
	Havst	Observed		GRP	6.2% GRP	Net GRP	Plant ³ Price	90% GRIP	8.7% GRIP ⁴	Net GRIP	GRIP	8.7% GRIP ⁴	Net GRIP						
	Yr	Yd	Trend Yd ²	APH ³ Price										GRP Pymt	GRP Prem	GRIP Pymt	GRIP Rate	GRIP Pymt	GRIP Prem
	Yr	Yd	Yd ²	Pymt Rate	Price	Pymt	Prem	Pymt	Rate	Pymt	Prem	Pymt	Rate	Pymt	Prem	Pymt			
73	39	38	49.2	0.0%	2.00	0.00	7.38	(3.32)	1.88	2.59	0.0%	0.00	9.64	(4.34)	0.0%	0.00	11.70	(5.27)	
74	27	25	36.7	0.0%	2.00	0.00	7.38	(3.32)	3.75	4.05	0.0%	0.00	19.25	(8.66)	0.0%	0.00	23.38	(10.52)	
75	23	22	32.5	8.7%	2.50	12.88	9.23	8.73	4.38	3.15	34.3%	88.96	22.48	78.84	34.3%	88.96	27.31	76.67	
76	25	23	33.1	6.8%	2.50	10.07	9.23	5.92	4.28	3.76	18.1%	46.00	21.95	36.12	18.1%	46.00	26.67	34.00	
77	24	21	31.2	12.2%	2.50	18.02	9.23	13.87	3.56	2.36	41.9%	88.34	18.27	80.12	41.9%	88.34	22.19	78.36	
78	29	26	36.1	0.0%	2.50	0.00	9.23	(4.15)	2.50	3.05	0.0%	0.00	12.81	(5.76)	0.0%	0.00	15.56	(7.00)	
79	35	33	42.0	0.0%	3.00	0.00	11.07	(4.98)	3.06	4.09	0.0%	0.00	15.70	(7.06)	0.0%	0.00	19.07	(8.58)	
80	33	31	39.6	0.0%	3.50	0.00	12.92	(5.81)	4.25	4.09	0.0%	0.00	21.82	(9.82)	0.0%	0.00	26.50	(11.93)	
81	28	26	34.8	2.1%	3.50	4.41	12.92	(1.40)	4.88	4.22	15.4%	44.43	25.04	33.16	15.4%	44.43	30.42	30.74	
82	34	30	38.5	0.0%	4.50	0.00	16.61	(7.47)	4.56	3.64	13.5%	36.35	23.38	25.83	13.5%	36.35	28.40	23.57	
83	37	31	38.7	0.0%	4.00	0.00	14.77	(6.64)	3.92	3.58	0.7%	1.61	20.14	(7.45)	0.7%	1.61	24.46	(9.40)	
84	37	35	42.4	0.0%	4.00	0.00	14.77	(6.64)	4.05	3.65	0.0%	0.00	20.79	(9.35)	0.0%	0.00	25.25	(11.36)	
85	34	28	35.7	0.0%	3.75	0.00	13.84	(6.23)	3.54	3.20	9.0%	18.81	18.15	10.64	9.0%	18.81	22.05	8.88	
86	24	21	28.4	20.1%	3.30	39.36	12.18	33.88	2.74	2.44	29.1%	47.19	14.07	40.86	29.1%	47.19	17.09	39.50	
87	30	28	34.9	1.8%	2.60	2.70	9.60	(1.62)	2.39	2.64	0.0%	0.00	12.26	(5.51)	1.8%	2.74	14.89	(3.96)	
88	37	35	41.6	0.0%	2.60	0.00	9.60	(4.32)	2.78	3.79	0.0%	0.00	14.26	(6.42)	0.0%	0.00	17.32	(7.80)	
89	18	16	21.5	39.4%	3.00	70.11	11.07	65.13	3.65	4.14	31.2%	67.51	18.71	59.09	39.4%	96.74	22.73	86.52	
90	34	31	36.5	0.0%	3.45	0.00	12.73	(5.73)	3.69	3.29	8.4%	18.37	18.93	9.85	8.4%	18.37	22.99	8.02	
91	33	32	36.8	0.0%	3.00	0.00	11.07	(4.98)	3.07	2.86	3.5%	6.42	15.76	(0.68)	3.5%	6.42	19.14	(2.20)	
92	38	36	40.8	0.0%	3.00	0.00	11.07	(4.98)	3.05	3.59	0.0%	0.00	15.64	(7.04)	0.0%	0.00	19.00	(8.55)	
93	30	28	32.8	7.6%	3.00	13.53	11.07	8.55	3.20	2.87	17.1%	32.41	16.42	25.02	17.1%	32.41	19.95	23.43	
94	43	41	45.1	0.0%	3.25	0.00	12.00	(5.40)	3.00	3.37	0.0%	0.00	15.42	(6.94)	0.0%	0.00	18.73	(8.43)	
95	21	19	22.8	35.9%	3.35	71.33	12.37	65.77	3.52	4.24	22.9%	47.71	18.08	39.57	35.9%	90.33	21.96	80.45	
96	34	28	31.3	12.1%	3.55	25.40	13.10	19.50	3.91	5.76	0.0%	0.00	20.05	(9.02)	12.1%	41.20	24.35	30.24	
97	53	51	54.0	0.0%	4.28	0.00	15.79	(7.11)	4.13	3.64	0.0%	0.00	21.17	(9.53)	0.0%	0.00	25.72	(11.57)	
98	42	41	43.2	0.0%	4.28	0.00	15.78	(7.10)	3.95	3.04	6.5%	15.19	20.27	6.07	6.5%	15.19	24.62	4.11	
99	36	35	36.7	0.0%	4.06	0.00	14.98	(6.74)	3.16	2.84	7.3%	13.63	16.20	6.34	7.3%	13.63	19.68	4.78	
00	38	37	38.9	0.0%	3.67	0.00	13.53	(6.09)	3.34	3.02	1.0%	1.98	17.15	(5.74)	1.0%	1.98	20.83	(7.40)	
01	44	41	42.1	0.0%	2.83	0.00	10.46	(4.71)	3.31	3.07	0.0%	0.00	16.98	(7.64)	0.0%	0.00	20.63	(9.28)	
02	40	39	40.3	0.0%	3.28	0.00	12.10	(5.44)	3.34	3.09	0.0%	0.00	17.14	(7.71)	0.0%	0.00	20.82	(9.37)	
03	41	37	37.4	0.0%	3.06	0.00	11.28	(5.08)	3.73	3.14	11.3%	25.07	19.14	16.46	11.3%	25.07	23.25	14.61	
04	47	39	39.7	0.0%	3.28	0.00	12.10	(5.44)	3.40	3.77	0.0%	0.00	17.45	(7.85)	0.0%	0.00	21.19	(9.54)	
05	29	27	26.7	25.0%	3.94	58.32	14.56	51.76	3.56	3.28	30.9%	65.08	18.27	56.86	30.9%	65.08	22.19	55.10	
06 ⁵	35	35.2	1.0%	3.11	1.81	11.48	(3.36)	3.52	4.81	0.0%	0.00	18.06	(8.13)	1.0%	2.80	21.94	(7.08)		
								33	20	Years									
NASS 33 & 20 Years Simple Average Yield								31.2	36.6	39.5 RMA Expted County Yield									
				RMA						RMA		RMA							
Farmer Paid Loss Ratio								1.79				2.42		2.35					
Frequency of Claim								35%				53%		62%					
Industry Loss Ratio								0.81				1.09		1.06					
Break Even Premium Rate								5.0%				9.4%		11.1%					

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPCI-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 4. Chautauqua County, KS has NO GRP or GRIP Offers

Table 5. Cherokee County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 43.6 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150%		Maximum Liability				90%										90%					
County ¹		Observed		Cov		Coverage										GRIP-		12.1%		GRIP-	
Havst		ved		GRP		7.8%		Net		Plant ³		90%		11.1%		Net		HRO		GRIP-	
Yr	Yd	Yd	Trend Yd ²	Pymt Rate	APH ³ Price	GRP Pymt	GRP Prem	GRP Pymt	GRIP Pymt	Price	Havst ³ Price	GRIP Pymt	GRIP Rate	GRIP Pymt	GRIP Prem	GRIP Pymt	GRIP Rate	HRO Pymt	GRIP- HRO Pymt	GRIP- HRO Prem	GRIP- HRO Pymt
73	25	22	37.1	5.4%	2.00	7.06	10.20	2.47	1.88	2.59	0.0%	0.00	13.62	(6.13)	5.4%	9.16	14.81	2.50			
74	24	23	38.2	2.6%	2.00	3.39	10.20	(1.20)	3.75	4.05	0.0%	0.00	27.21	(12.24)	2.6%	6.87	29.59	(6.44)			
75	22	21	35.1	10.6%	2.50	17.31	12.75	11.57	4.38	3.15	35.6%	102.10	31.78	87.80	35.6%	102.10	34.56	86.54			
76	34	33	46.8	0.0%	2.50	0.00	12.75	(5.74)	4.28	3.76	0.0%	0.00	31.03	(13.96)	0.0%	0.00	33.74	(15.18)			
77	35	34	47.6	0.0%	2.50	0.00	12.75	(5.74)	3.56	2.36	19.8%	46.08	25.82	34.46	19.8%	46.08	28.08	33.45			
78	31	29	41.7	0.0%	2.50	0.00	12.75	(5.74)	2.50	3.05	0.0%	0.00	18.10	(8.15)	0.0%	0.00	19.68	(8.86)			
79	40	40	52.1	0.0%	3.00	0.00	15.30	(6.89)	3.06	4.09	0.0%	0.00	22.19	(9.98)	0.0%	0.00	24.13	(10.86)			
80	42	41	52.7	0.0%	3.50	0.00	17.85	(8.03)	4.25	4.09	0.0%	0.00	30.84	(13.88)	0.0%	0.00	33.53	(15.09)			
81	40	39	50.8	0.0%	3.50	0.00	17.85	(8.03)	4.88	4.22	0.0%	0.00	35.40	(15.93)	0.0%	0.00	38.49	(17.32)			
82	32	29	40.3	0.0%	4.50	0.00	22.96	(10.33)	4.56	3.64	18.0%	53.71	33.05	38.84	18.0%	53.71	35.94	37.54			
83	32	31	41.1	0.0%	4.00	0.00	20.40	(9.18)	3.92	3.58	4.5%	11.47	28.46	(1.34)	4.5%	11.47	30.95	(2.46)			
84	39	37	47.2	0.0%	4.00	0.00	20.40	(9.18)	4.05	3.65	0.0%	0.00	29.38	(13.22)	0.0%	0.00	31.95	(14.38)			
85	31	29	38.8	1.1%	3.75	2.80	19.13	(5.81)	3.54	3.20	10.5%	24.24	25.66	12.70	10.5%	24.24	27.90	11.69			
86	29	22	30.9	21.2%	3.30	45.74	16.83	38.16	2.74	2.44	30.0%	53.78	19.88	44.83	30.0%	53.78	21.62	44.05			
87	24	13	21.4	45.4%	2.60	77.17	13.26	71.20	2.39	2.64	39.7%	61.97	17.32	54.17	45.4%	78.30	18.84	69.82			
88	40	39	46.9	0.0%	2.60	0.00	13.26	(5.97)	2.78	3.79	0.0%	0.00	20.16	(9.07)	0.0%	0.00	21.92	(9.87)			
89	38	38	45.3	0.0%	3.00	0.00	15.30	(6.89)	3.65	4.14	0.0%	0.00	26.45	(11.90)	0.0%	0.00	28.76	(12.94)			
90	25	24	30.8	21.6%	3.45	48.74	17.60	40.82	3.69	3.29	30.1%	72.68	26.76	60.64	30.1%	72.68	29.10	59.59			
91	36	35	42.0	0.0%	3.00	0.00	15.30	(6.89)	3.07	2.86	0.3%	0.55	22.27	(9.48)	0.3%	0.55	24.22	(10.35)			
92	47	45	51.6	0.0%	3.00	0.00	15.30	(6.89)	3.05	3.59	0.0%	0.00	22.11	(9.95)	0.0%	0.00	24.04	(10.82)			
93	34	33	38.8	1.1%	3.00	2.24	15.30	(4.64)	3.20	2.87	11.3%	23.63	23.21	13.18	11.3%	23.63	25.24	12.27			
94	38	38	42.9	0.0%	3.25	0.00	16.58	(7.46)	3.00	3.37	0.0%	0.00	21.79	(9.81)	0.0%	0.00	23.70	(10.66)			
95	18	17	21.5	45.3%	3.35	99.26	17.09	91.57	3.52	4.24	34.1%	78.65	25.55	67.15	45.3%	125.69	27.79	113.19			
96	34	34	37.9	3.5%	3.55	8.17	18.11	0.02	3.91	5.76	0.0%	0.00	28.34	(12.75)	3.5%	13.26	30.82	(0.61)			
97	51	49	53.2	0.0%	4.28	0.00	21.83	(9.82)	4.13	3.64	0.0%	0.00	29.92	(13.47)	0.0%	0.00	32.54	(14.64)			
98	37	36	39.7	0.0%	4.28	0.00	21.81	(9.82)	3.95	3.04	22.2%	57.42	28.65	44.53	22.2%	57.42	31.15	43.40			
99	29	27	29.9	23.7%	4.06	63.01	20.71	53.69	3.16	2.84	31.5%	64.96	22.89	54.66	31.5%	64.96	24.90	53.76			
00	45	44	46.8	0.0%	3.67	0.00	18.70	(8.42)	3.34	3.02	0.0%	0.00	24.24	(10.91)	0.0%	0.00	26.36	(11.86)			
01	46	43	45.3	0.0%	2.83	0.00	14.45	(6.50)	3.31	3.07	0.0%	0.00	24.01	(10.80)	0.0%	0.00	26.11	(11.75)			
02	42	41	42.5	0.0%	3.28	0.00	16.72	(7.52)	3.34	3.09	0.0%	0.00	24.22	(10.90)	0.0%	0.00	26.34	(11.85)			
03	57	56	56.9	0.0%	3.06	0.00	15.59	(7.01)	3.73	3.14	0.0%	0.00	27.05	(12.17)	0.0%	0.00	29.42	(13.24)			
04	44	43	43.2	0.0%	3.28	0.00	16.72	(7.52)	3.40	3.77	0.0%	0.00	24.66	(11.10)	0.0%	0.00	26.82	(12.07)			
05	44	42	42.2	0.0%	3.94	0.00	20.12	(9.05)	3.56	3.28	0.9%	2.02	25.82	(9.60)	0.9%	2.02	28.08	(10.61)			
06 ⁵	40	39.6	39.6	0.0%	3.11	0.00	15.87	(7.14)	3.52	4.81	0.0%	0.00	25.53	(11.49)	0.0%	0.00	27.76	(12.49)			

NASS 33 & 20 Years Simple Average Yield		33 Years		20 Years		43.6 RMA Expted County Yield	
		RMA		RMA		RMA	
Farmer Paid Loss Ratio	1.48		1.68		1.77		
Frequency of Claim	32%		41%		50%		
Industry Loss Ratio	0.67		0.76		0.79		
Break Even Premium Rate	5.2%		8.4%		9.6%		

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPC-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 6. Cowley County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 35.4 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150% County ¹		Maximum Liability 0.147834		90% Cov		90% Coverage										90% GRIP-		10.5% GRIP-		HRO	
Havst	Plant	Observed	Trend	GRP	APH ³	GRP	7.7%	Net	Plant ³	Havst ³	GRIP	GRP	8.8%	Net	HRO	GRIP-	GRIP-	HRO	GRIP-		
Yr	Yd	Yd ²	Yd ²	Pymt	Price	Pymt	Prem	GRIP	Price	Price	Pymt	Pymt	Prem	Pymt	Rate	Rate	Prem	Prem	Pymt		
73	42	41	45.4	0.0%	2.00	0.00	7.10	(3.20)	1.88	2.59	0.0%	0.00	8.78	(3.95)	0.0%	0.00	10.51	10.51	(4.73)		
74	32	31	35.5	0.0%	2.00	0.00	7.10	(3.20)	3.75	4.05	0.0%	0.00	17.55	(7.90)	0.0%	0.00	20.99	20.99	(9.45)		
75	25	24	28.6	10.2%	2.50	13.60	8.88	9.60	4.38	3.15	35.4%	82.32	20.50	73.09	35.4%	82.32	24.52	71.28	71.28		
76	23	19	23.2	27.3%	2.50	36.28	8.88	32.29	4.28	3.76	36.2%	82.18	20.01	73.18	36.2%	82.18	23.94	71.41	71.41		
77	28	24	28.2	11.5%	2.50	15.20	8.88	11.21	3.56	2.36	41.4%	78.28	16.65	70.79	41.4%	78.28	19.92	69.31	69.31		
78	34	32	36.3	0.0%	2.50	0.00	8.88	(4.00)	2.50	3.05	0.0%	0.00	11.68	(5.25)	0.0%	0.00	13.97	13.97	(6.29)		
79	38	36	39.3	0.0%	3.00	0.00	10.66	(4.80)	3.06	4.09	0.0%	0.00	14.31	(6.44)	0.0%	0.00	17.12	17.12	(7.70)		
80	41	40	43.3	0.0%	3.50	0.00	12.43	(5.60)	4.25	4.09	0.0%	0.00	19.89	(8.95)	0.0%	0.00	23.80	23.80	(10.71)		
81	23	20	23.4	26.5%	3.50	49.25	12.43	43.65	4.88	4.22	36.4%	94.43	22.83	84.16	36.4%	94.43	27.31	82.14	82.14		
82	38	35	38.6	0.0%	4.50	0.00	15.99	(7.19)	4.56	3.64	3.2%	7.68	21.32	(1.91)	3.2%	7.68	25.50	25.50	(3.79)		
83	36	33	36.1	0.0%	4.00	0.00	14.21	(6.39)	3.92	3.58	0.0%	0.00	18.36	(8.26)	0.0%	0.00	21.96	21.96	(9.88)		
84	40	36	39.1	0.0%	4.00	0.00	14.21	(6.39)	4.05	3.65	0.0%	0.00	18.95	(8.53)	0.0%	0.00	22.67	22.67	(10.20)		
85	31	26	29.2	8.4%	3.75	16.78	13.32	10.79	3.54	3.20	17.1%	32.08	16.55	24.63	17.1%	32.08	19.80	23.17	23.17		
86	31	28	31.1	2.3%	3.30	4.00	11.72	(1.28)	2.74	2.44	13.2%	19.22	12.82	13.44	13.2%	19.22	15.34	12.31	12.31		
87	30	27	29.4	7.8%	2.60	10.81	9.24	6.65	2.39	2.64	0.0%	0.00	11.17	(5.03)	7.8%	10.97	13.37	4.95	4.95		
88	38	36	38.2	0.0%	2.60	0.00	9.24	(4.16)	2.78	3.79	0.0%	0.00	13.00	(5.85)	0.0%	0.00	15.56	15.56	(7.00)		
89	27	25	27.6	13.4%	3.00	21.42	10.66	16.62	3.65	4.14	1.7%	3.36	17.06	(4.32)	13.4%	29.56	20.41	20.37	20.37		
90	31	30	32.0	0.0%	3.45	0.00	12.26	(5.52)	3.69	3.29	10.5%	20.48	17.26	12.71	10.5%	20.48	20.65	11.19	11.19		
91	34	32	34.2	0.0%	3.00	0.00	10.66	(4.80)	3.07	2.86	0.0%	0.00	14.37	(6.46)	0.0%	0.00	17.19	17.19	(7.73)		
92	34	31	33.0	0.0%	3.00	0.00	10.66	(4.80)	3.05	3.59	0.0%	0.00	14.26	(6.42)	0.0%	0.00	17.06	17.06	(7.68)		
93	28	24	26.0	18.3%	3.00	29.07	10.66	24.28	3.20	2.87	26.6%	45.27	14.97	38.53	26.6%	45.27	17.91	37.21	37.21		
94	40	40	41.2	0.0%	3.25	0.00	11.55	(5.20)	3.00	3.37	0.0%	0.00	14.05	(6.32)	0.0%	0.00	16.81	16.81	(7.57)		
95	19	17	18.8	41.0%	3.35	72.88	11.90	67.53	3.52	4.24	28.9%	54.10	16.48	46.68	41.0%	92.29	19.72	83.42	83.42		
96	20	13	14.5	54.4%	3.55	102.62	12.61	96.94	3.91	5.76	32.8%	68.13	18.28	59.90	54.4%	166.47	21.87	156.63	156.63		
97	52	50	51.6	0.0%	4.28	0.00	15.20	(6.84)	4.13	3.64	0.0%	0.00	19.30	(8.68)	0.0%	0.00	23.09	23.09	(10.39)		
98	39	37	38.4	0.0%	4.28	0.00	15.19	(6.84)	3.95	3.04	7.2%	15.06	18.48	6.75	7.2%	15.06	22.11	5.12	5.12		
99	37	35	35.9	0.0%	4.06	0.00	14.42	(6.49)	3.16	2.84	0.0%	0.00	14.77	(6.65)	0.0%	0.00	17.67	17.67	(7.95)		
00	38	37	37.8	0.0%	3.67	0.00	13.03	(5.86)	3.34	3.02	0.0%	0.00	15.63	(7.04)	0.0%	0.00	18.70	18.70	(8.42)		
01	47	41	41.7	0.0%	2.83	0.00	10.07	(4.53)	3.31	3.07	0.0%	0.00	15.48	(6.97)	0.0%	0.00	18.53	18.53	(8.34)		
02	34	31	31.9	0.0%	3.28	0.04	11.64	(5.20)	3.34	3.09	7.5%	13.31	15.62	6.28	7.5%	13.31	18.69	4.90	4.90		
03	39	37	37.8	0.0%	3.06	0.00	10.85	(4.88)	3.73	3.14	0.1%	0.28	17.45	(7.57)	0.1%	0.28	20.88	20.88	(9.12)		
04	40	30	29.8	6.5%	3.28	11.35	11.64	6.11	3.40	3.77	0.0%	0.00	15.91	(7.16)	6.5%	13.05	19.03	4.49	4.49		
05	34	33	32.8	0.0%	3.94	0.00	14.01	(6.31)	3.56	3.28	5.0%	9.47	16.65	1.97	5.0%	9.47	19.92	0.50	0.50		
06 ⁵	35	34.7	34.7	0.0%	3.11	0.00	11.05	(4.97)	3.52	4.81	0.0%	0.00	16.47	(7.41)	0.0%	0.00	19.70	19.70	(8.87)		

NASS 33 & 20 Years Simple Average Yield		Years		RMA Expted County Yield	
		33	20		
		31.3	33.2	35.4	
	RMA				RMA
Farmer Paid Loss Ratio	2.18				2.71
Frequency of Claim	38%				53%
Industry Loss Ratio	0.98				1.22
Break Even Premium Rate	6.6%				12.9%

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPC-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 7. Crawford County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 40.7 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150% County ¹		Maximum Liability 0.442272		90% Cov		90% Coverage										90% GRIP-		11.1% GRIP-		90% GRIP-	
Havst	Observed	GRP	APH ³	GRP	7.1% GRP	Net GRIP	Plant ³	Havst ³	GRIP	9.7% GRIP ⁴	Net GRIP	HRO	GRIP-HRO	GRIP-HRO ⁴	HRO	GRIP-HRO					
Yr	Yd	Trend Yd ²	Pymt Rate	Price	Pymt	Prem	Price	Price	Pymt Rate	Pymt	Prem	Pymt	Pymt	Pymt	Pymt	Pymt					
73	26	25	38.7	0.0%	2.00	0.00	8.61	(3.87)	1.88	2.59	0.0%	0.00	11.10	(4.99)	0.0%	0.00	12.75	(5.74)			
74	27	27	40.5	0.0%	2.00	0.00	8.61	(3.87)	3.75	4.05	0.0%	0.00	22.17	(9.98)	0.0%	0.00	25.47	(11.46)			
75	20	20	32.8	10.3%	2.50	15.79	10.76	10.95	4.38	3.15	35.5%	94.84	25.89	83.19	35.5%	94.84	29.75	81.46			
76	28	26	39.1	0.0%	2.50	0.00	10.76	(4.84)	4.28	3.76	6.1%	16.04	25.28	4.66	6.1%	16.04	29.04	2.97			
77	33	27	39.6	0.0%	2.50	0.00	10.76	(4.84)	3.56	2.36	28.6%	62.07	21.04	52.60	28.6%	62.07	24.17	51.19			
78	31	28	39.5	0.0%	2.50	0.00	10.76	(4.84)	2.50	3.05	0.0%	0.00	14.75	(6.64)	0.0%	0.00	16.94	(7.62)			
79	39	36	47.9	0.0%	3.00	0.00	12.91	(5.81)	3.06	4.09	0.0%	0.00	18.08	(8.14)	0.0%	0.00	20.77	(9.35)			
80	37	36	46.6	0.0%	3.50	0.00	15.06	(6.78)	4.25	4.09	0.0%	0.00	25.13	(11.31)	0.0%	0.00	28.86	(12.99)			
81	36	32	43.0	0.0%	3.50	0.00	15.06	(6.78)	4.88	4.22	0.0%	0.00	28.84	(12.98)	0.0%	0.00	33.13	(14.91)			
82	25	21	31.1	15.0%	4.50	41.16	19.37	32.44	4.56	3.64	32.1%	89.19	26.93	77.07	32.1%	89.19	30.93	75.27			
83	30	27	37.0	0.0%	4.00	0.00	17.22	(7.75)	3.92	3.58	7.7%	18.54	23.19	8.10	7.7%	18.54	26.64	6.55			
84	40	37	46.1	0.0%	4.00	0.00	17.22	(7.75)	4.05	3.65	0.0%	0.00	23.94	(10.77)	0.0%	0.00	27.50	(12.38)			
85	21	18	27.3	25.5%	3.75	58.45	16.14	51.18	3.54	3.20	32.6%	70.33	20.91	60.92	32.6%	70.33	24.02	59.52			
86	29	22	30.0	18.2%	3.30	36.72	14.20	30.33	2.74	2.44	27.4%	45.79	16.20	38.50	27.4%	45.79	18.61	37.42			
87	33	30	38.1	0.0%	2.60	0.00	11.19	(5.04)	2.39	2.64	0.0%	0.00	14.12	(6.35)	0.0%	0.00	16.21	(7.30)			
88	40	39	46.4	0.0%	2.60	0.00	11.19	(5.04)	2.78	3.79	0.0%	0.00	16.43	(7.39)	0.0%	0.00	18.87	(8.49)			
89	39	38	45.2	0.0%	3.00	0.00	12.91	(5.81)	3.65	4.14	0.0%	0.00	21.55	(9.70)	0.0%	0.00	24.75	(11.14)			
90	27	26	32.9	10.1%	3.45	21.36	14.85	14.68	3.69	3.29	19.9%	44.85	21.80	35.04	19.9%	44.85	25.04	33.58			
91	34	33	39.4	0.0%	3.00	0.00	12.91	(5.81)	3.07	2.86	0.0%	0.00	18.15	(8.17)	0.0%	0.00	20.85	(9.38)			
92	43	40	46.1	0.0%	3.00	0.00	12.91	(5.81)	3.05	3.59	0.0%	0.00	18.01	(8.11)	0.0%	0.00	20.69	(9.31)			
93	26	26	30.8	15.9%	3.00	29.09	12.91	23.28	3.20	2.87	24.5%	47.89	18.91	39.38	24.5%	47.89	21.72	38.12			
94	39	38	43.1	0.0%	3.25	0.00	13.99	(6.29)	3.00	3.37	0.0%	0.00	17.75	(7.99)	0.0%	0.00	20.40	(9.18)			
95	19	18	22.5	38.7%	3.35	79.15	14.42	72.67	3.52	4.24	26.2%	56.32	20.82	46.95	38.7%	100.24	23.92	89.48			
96	32	30	33.5	8.5%	3.55	18.32	15.28	11.44	3.91	5.76	0.0%	0.00	23.09	(10.39)	8.5%	29.71	26.52	17.78			
97	50	48	51.7	0.0%	4.28	0.00	18.42	(8.29)	4.13	3.64	0.0%	0.00	24.38	(10.97)	0.0%	0.00	28.01	(12.60)			
98	35	34	37.1	0.0%	4.28	0.00	18.40	(8.28)	3.95	3.04	22.0%	53.00	23.34	42.49	22.0%	53.00	26.82	40.93			
99	29	29	31.7	13.4%	4.06	33.15	17.47	25.28	3.16	2.84	22.2%	42.70	18.65	34.31	22.2%	42.70	21.43	33.06			
00	43	41	43.7	0.0%	3.67	0.00	15.78	(7.10)	3.34	3.02	0.0%	0.00	19.75	(8.89)	0.0%	0.00	22.69	(10.21)			
01	48	42	43.3	0.0%	2.83	0.00	12.19	(5.49)	3.31	3.07	0.0%	0.00	19.56	(8.80)	0.0%	0.00	22.47	(10.11)			
02	35	31	32.7	10.7%	3.28	21.50	14.11	15.15	3.34	3.09	17.4%	35.53	19.74	26.65	17.4%	35.53	22.67	25.33			
03	50	47	47.8	0.0%	3.06	0.00	13.15	(5.92)	3.73	3.14	0.0%	0.00	22.04	(9.92)	0.0%	0.00	25.32	(11.39)			
04	41	39	39.2	0.0%	3.28	0.00	14.11	(6.35)	3.40	3.77	0.0%	0.00	20.09	(9.04)	0.0%	0.00	23.08	(10.39)			
05	43	42	42.1	0.0%	3.94	0.00	16.98	(7.64)	3.56	3.28	0.0%	0.00	21.04	(9.47)	0.0%	0.00	24.17	(10.88)			
06 ⁵	37	36.8	0.0%	3.11	0.00	13.39	(6.03)	3.52	4.81	0.0%	0.00	20.80	(9.36)	0.0%	0.00	23.90	(10.75)				

NASS 33 & 20 Years Simple Average Yield	33	20	Years
	31.9	38.9	40.7 RMA Expted County Yield
Farmer Paid Loss Ratio	1.66		2.06
Frequency of Claim	29%		41%
Industry Loss Ratio	0.75		0.93
Break Even Premium Rate	5.3%		10.3%

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPC-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 8. Elk County, KS has NO GRP or GRIP Offers

Table 9. Greenwood County, KS has NO GRP or GRIP Offers

Table 10. Labette County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 37.2 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150%		Maximum Liability 0.364532					90% Coverage					90% GRIP-					14.0%		GRIP-	
County ¹		Observed	Trend	GRP	APH ³	GRP	8.8%	Net	Plant ³	Havst ³	GRIP	GRP	12.7%	Net	HRO	GRIP-	GRIP-	HRO	GRIP-	
Yr	Yd	Yd ²	Yd ²	Pymt	Price	Pymt	GRP	GRIP	Price	Price	Pymt	Pymt	Prem	Pymt	Rate	Rate	Pymt	Pymt	Pymt	
73	30	28	39.5	0.0%	2.00	0.00	9.87	(4.44)	1.88	2.59	0.0%	0.00	13.29	(5.98)	0.0%	0.00	14.62	(6.58)		
74	23	22	33.5	0.0%	2.00	0.00	9.87	(4.44)	3.75	4.05	0.0%	0.00	26.54	(11.94)	0.0%	0.00	29.20	(13.14)		
75	23	22	32.6	2.7%	2.50	3.77	12.33	(1.78)	4.38	3.15	30.0%	73.23	31.00	59.28	30.0%	73.23	34.11	57.88		
76	29	29	39.5	0.0%	2.50	0.00	12.33	(5.55)	4.28	3.76	0.0%	0.00	30.27	(13.62)	0.0%	0.00	33.30	(14.99)		
77	38	36	45.9	0.0%	2.50	0.00	12.33	(5.55)	3.56	2.36	9.3%	18.51	25.19	7.18	9.3%	18.51	27.71	6.04		
78	24	20	29.4	12.1%	2.50	16.92	12.33	11.37	2.50	3.05	0.0%	0.00	17.66	(7.95)	12.1%	20.64	19.43	11.90		
79	43	39	48.0	0.0%	3.00	0.00	14.80	(6.66)	3.06	4.09	0.0%	0.00	21.65	(9.74)	0.0%	0.00	23.81	(10.72)		
80	38	37	46.0	0.0%	3.50	0.00	17.26	(7.77)	4.25	4.09	0.0%	0.00	30.08	(13.54)	0.0%	0.00	33.09	(14.89)		
81	39	37	45.9	0.0%	3.50	0.00	17.26	(7.77)	4.88	4.22	0.0%	0.00	34.53	(15.54)	0.0%	0.00	37.99	(17.09)		
82	29	26	34.5	0.0%	4.50	0.00	22.20	(9.99)	4.56	3.64	17.6%	44.69	32.24	30.18	17.6%	44.69	35.47	28.73		
83	29	24	31.9	4.9%	4.00	10.83	19.73	1.95	3.92	3.58	13.2%	28.85	27.77	16.35	13.2%	28.85	30.55	15.10		
84	32	28	35.8	0.0%	4.00	0.00	19.73	(8.88)	4.05	3.65	3.6%	8.14	28.66	(4.76)	3.6%	8.14	31.53	(6.05)		
85	24	20	27.3	18.5%	3.75	38.63	18.50	30.31	3.54	3.20	26.2%	51.65	25.03	40.38	26.2%	51.65	27.54	39.25		
86	24	13	20.1	39.8%	3.30	73.34	16.28	66.02	2.74	2.44	46.6%	71.21	19.40	62.48	46.6%	71.21	21.34	61.61		
87	24	12	18.9	43.7%	2.60	63.38	12.83	57.61	2.39	2.64	37.8%	50.38	16.90	42.78	43.7%	64.31	18.59	55.95		
88	36	35	41.1	0.0%	2.60	0.00	12.83	(5.77)	2.78	3.79	0.0%	0.00	19.67	(8.85)	0.0%	0.00	21.64	(9.74)		
89	36	35	40.6	0.0%	3.00	0.00	14.80	(6.66)	3.65	4.14	0.0%	0.00	25.80	(11.61)	0.0%	0.00	28.38	(12.77)		
90	23	21	26.7	20.3%	3.45	39.17	17.02	31.51	3.69	3.29	29.0%	59.71	26.10	47.97	29.0%	59.71	28.72	46.79		
91	33	32	36.6	0.0%	3.00	0.00	14.80	(6.66)	3.07	2.86	0.0%	0.00	21.73	(9.78)	0.0%	0.00	23.90	(10.76)		
92	43	41	45.7	0.0%	3.00	0.00	14.80	(6.66)	3.05	3.59	0.0%	0.00	21.57	(9.70)	0.0%	0.00	23.73	(10.68)		
93	28	27	31.1	7.3%	3.00	12.15	14.80	5.49	3.20	2.87	16.8%	29.95	22.64	19.77	16.8%	29.95	24.91	18.75		
94	34	33	37.0	0.0%	3.25	0.00	16.03	(7.21)	3.00	3.37	0.0%	0.00	21.26	(9.57)	0.0%	0.00	23.39	(10.52)		
95	15	14	17.4	47.9%	3.35	89.53	16.52	82.09	3.52	4.24	37.3%	73.23	24.93	62.02	47.9%	113.37	27.42	101.03		
96	27	26	29.2	12.9%	3.55	25.54	17.51	17.66	3.91	5.76	0.0%	0.00	27.64	(12.44)	12.9%	41.43	30.41	27.74		
97	56	54	57.2	0.0%	4.28	0.00	21.10	(9.50)	4.13	3.64	0.0%	0.00	29.19	(13.14)	0.0%	0.00	32.11	(14.45)		
98	38	36	38.7	0.0%	4.28	0.00	21.09	(9.49)	3.95	3.04	11.1%	24.38	27.95	11.80	11.1%	24.38	30.75	10.54		
99	23	18	20.0	40.2%	4.06	91.06	20.02	82.05	3.16	2.84	46.3%	81.49	22.33	71.44	46.3%	81.49	24.57	70.43		
00	40	39	40.6	0.0%	3.67	0.00	18.09	(8.14)	3.34	3.02	0.0%	0.00	23.65	(10.64)	0.0%	0.00	26.01	(11.71)		
01	37	34	35.1	0.0%	2.83	0.00	13.98	(6.29)	3.31	3.07	2.7%	4.96	23.42	(5.58)	2.7%	4.96	25.77	(6.63)		
02	37	35	36.5	0.0%	3.28	0.00	16.17	(7.28)	3.34	3.09	0.0%	0.00	23.63	(10.63)	0.0%	0.00	26.00	(11.70)		
03	50	49	49.9	0.0%	3.06	0.00	15.07	(6.78)	3.73	3.14	0.0%	0.00	26.39	(11.88)	0.0%	0.00	29.03	(13.07)		
04	38	36	36.2	0.0%	3.28	0.00	16.17	(7.28)	3.40	3.77	0.0%	0.00	24.06	(10.83)	0.0%	0.00	26.47	(11.91)		
05	45	43	43.1	0.0%	3.94	0.00	19.46	(8.76)	3.56	3.28	0.0%	0.00	25.19	(11.33)	0.0%	0.00	27.71	(12.47)		
06 ⁵	35	35.4	35.4	0.0%	3.11	0.00	15.35	(6.91)	3.52	4.81	0.0%	0.00	24.91	(11.21)	0.0%	0.00	27.40	(12.33)		

NASS 33 & 20 Years Simple Average Yield		Years		RMA Expted County Yield	
		33	20		
		30.3	35.1	37.2	
		RMA		RMA	
Farmer Paid Loss Ratio		1.90		1.64	1.77
Frequency of Claim		32%		41%	47%
Industry Loss Ratio		0.85		0.74	0.79
Break Even Premium Rate		7.6%		9.3%	11.1%

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPC-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 11. Montgomery County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 34.7 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150% County ¹		Maximum Liability 0.234981		90% Cov		90% Coverage										90% GRIP-		14.2% GRIP-		90% GRIP-	
Havst	Yd	Observed	Trend	GRP	APH ³	GRP	Net	Plant ³	Havst ³	GRIP	GRP	GRIP	GRIP	Net	HRO	GRIP-	GRIP-	HRO	GRIP-		
Yr	Yd	Yd ²	Yd ²	Pymt	Price	Pymt	GRIP	Price	Price	Pymt	Prem	Pymt	Pymt	Pymt	Rate	Pymt	Pymt	Pymt	Pymt		
73	29	25	32.8	0.0%	2.00	0.00	10.44	(4.70)	1.88	2.59	0.0%	0.00	12.36	(5.56)	0.0%	0.00	13.87	(6.24)			
74	26	24	31.5	0.0%	2.00	0.00	10.44	(4.70)	3.75	4.05	0.0%	0.00	24.70	(11.11)	0.0%	0.00	27.71	(12.47)			
75	26	24	31.5	0.0%	2.50	0.00	13.05	(5.87)	4.38	3.15	27.5%	62.62	28.85	49.63	27.5%	62.62	32.36	48.05			
76	27	26	33.0	0.0%	2.50	0.00	13.05	(5.87)	4.28	3.76	7.1%	15.77	28.17	3.09	7.1%	15.77	31.60	1.55			
77	35	31	37.6	0.0%	2.50	0.00	13.05	(5.87)	3.56	2.36	20.3%	37.64	23.44	27.09	20.3%	37.64	26.29	25.80			
78	20	19	25.1	19.8%	2.50	25.74	13.05	19.87	2.50	3.05	1.9%	2.52	16.43	(4.87)	19.8%	31.41	18.43	23.12			
79	41	39	45.0	0.0%	3.00	0.00	15.66	(7.05)	3.06	4.09	0.0%	0.00	20.14	(9.06)	0.0%	0.00	22.59	(10.17)			
80	42	40	45.8	0.0%	3.50	0.00	18.27	(8.22)	4.25	4.09	0.0%	0.00	27.99	(12.60)	0.0%	0.00	31.40	(14.13)			
81	35	33	38.9	0.0%	3.50	0.00	18.27	(8.22)	4.88	4.22	0.0%	0.00	32.13	(14.46)	0.0%	0.00	36.05	(16.22)			
82	34	32	37.3	0.0%	4.50	0.00	23.49	(10.57)	4.56	3.64	4.6%	11.03	30.00	(2.47)	4.6%	11.03	33.65	(4.12)			
83	30	24	29.3	6.0%	4.00	12.55	20.88	3.16	3.92	3.58	14.2%	29.11	25.84	17.48	14.2%	29.11	28.99	16.06			
84	32	27	31.8	0.0%	4.00	0.00	20.88	(9.40)	4.05	3.65	8.1%	17.15	26.67	5.15	8.1%	17.15	29.92	3.68			
85	21	15	20.2	35.3%	3.75	68.99	19.58	60.18	3.54	3.20	41.4%	76.33	23.29	65.84	41.4%	76.33	26.13	64.57			
86	28	14	18.5	40.9%	3.30	70.17	17.23	62.42	2.74	2.44	47.5%	67.72	18.05	59.60	47.5%	67.72	20.25	58.61			
87	23	15	19.4	37.8%	2.60	51.22	13.57	45.11	2.39	2.64	31.4%	38.98	15.73	31.90	37.8%	51.97	17.64	44.04			
88	37	36	39.9	0.0%	2.60	0.00	13.57	(6.11)	2.78	3.79	0.0%	0.00	18.30	(8.24)	0.0%	0.00	20.53	(9.24)			
89	38	37	40.6	0.0%	3.00	0.00	15.66	(7.05)	3.65	4.14	0.0%	0.00	24.01	(10.80)	0.0%	0.00	26.93	(12.12)			
90	23	20	23.1	26.1%	3.45	46.81	18.01	38.71	3.69	3.29	34.1%	65.49	24.29	54.56	34.1%	65.49	27.25	53.23			
91	29	26	29.3	6.1%	3.00	9.58	15.66	2.54	3.07	2.86	12.6%	20.21	20.22	11.11	12.6%	20.21	22.68	10.00			
92	39	37	39.6	0.0%	3.00	0.00	15.66	(7.05)	3.05	3.59	0.0%	0.00	20.07	(9.03)	0.0%	0.00	22.51	(10.13)			
93	22	21	23.7	24.2%	3.00	37.82	15.66	30.77	3.20	2.87	32.0%	53.29	21.07	43.81	32.0%	53.29	23.63	42.66			
94	33	32	34.6	0.0%	3.25	0.00	16.97	(7.64)	3.00	3.37	0.0%	0.00	19.78	(8.90)	0.0%	0.00	22.19	(9.99)			
95	17	15	17.2	44.8%	3.35	78.10	17.49	70.23	3.52	4.24	33.5%	61.47	23.20	51.03	44.8%	98.91	26.02	87.20			
96	24	21	22.8	27.0%	3.55	49.96	18.53	41.62	3.91	5.76	0.0%	0.00	25.73	(11.58)	27.0%	81.05	28.86	68.06			
97	50	49	50.9	0.0%	4.28	0.00	22.34	(10.05)	4.13	3.64	0.0%	0.00	27.16	(12.22)	0.0%	0.00	30.47	(13.71)			
98	38	36	38.1	0.0%	4.28	0.00	22.32	(10.05)	3.95	3.04	6.2%	12.83	26.01	1.12	6.2%	12.83	29.17	(0.30)			
99	26	22	23.3	25.4%	4.06	53.66	21.19	44.12	3.16	2.84	33.0%	54.15	20.78	44.80	33.0%	54.15	23.31	43.66			
00	38	34	35.5	0.0%	3.67	0.00	19.14	(8.61)	3.34	3.02	0.0%	0.00	22.00	(9.90)	0.0%	0.00	24.68	(11.11)			
01	41	38	39.2	0.0%	2.83	0.00	14.79	(6.66)	3.31	3.07	0.0%	0.00	21.79	(9.81)	0.0%	0.00	24.45	(11.00)			
02	33	33	33.4	0.0%	3.28	0.00	17.11	(7.70)	3.34	3.09	1.0%	1.76	21.99	(8.14)	1.0%	1.76	24.67	(9.34)			
03	44	42	42.9	0.0%	3.06	0.00	15.95	(7.18)	3.73	3.14	0.0%	0.00	24.56	(11.05)	0.0%	0.00	27.55	(12.40)			
04	33	33	32.9	0.0%	3.28	0.00	17.11	(7.70)	3.40	3.77	0.0%	0.00	22.39	(10.07)	0.0%	0.00	25.11	(11.30)			
05	33	31	31.2	0.2%	3.94	0.35	20.59	(8.91)	3.56	3.28	8.0%	14.87	23.44	4.32	8.0%	14.87	26.29	3.03			
06 ⁵	34	33.5	33.5	0.0%	3.11	0.00	16.24	(7.31)	3.52	4.81	0.0%	0.00	23.18	(10.43)	0.0%	0.00	26.00	(11.70)			

NASS 33 & 20 Years Simple Average Yield		Years		RMA Expted County Yield	
		33	20		
		28.8	31.8	34.7	
	RMA				RMA
Farmer Paid Loss Ratio	1.95				2.03
Frequency of Claim	35%				53%
Industry Loss Ratio	0.88				0.91
Break Even Premium Rate	8.8%				10.4%

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPC-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 12. Neosho County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 38.8 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150% County ¹		Maximum Liability 0.382974			90% Cov			90% Coverage			90% GRIP-			12.8% GRIP-				
Havst	Observed	GRP	APH ³	GRP	8.5% GRP	Net GRIP	Plant ³	Havst ³	GRIP	11.2% GRIP ⁴	Net GRIP	HRO	GRIP-HRO	GRIP-HRO ⁴	GRIP-HRO			
Yr	Yd	Trend Yd ²	Pymt Rate	Price	Pymt	Prem	Price	Price	Pymt Rate	Pymt	Prem	Pymt Rate	Pymt	Prem	Pymt			
73	29	25	37.4	0.0%	2.00	0.00	9.84	(4.43)	1.88	2.59	0.0%	0.00	12.21	(5.49)	0.0%	0.00	14.00	(6.30)
74	26	24	36.0	0.0%	2.00	0.00	9.84	(4.43)	3.75	4.05	0.0%	0.00	24.39	(10.97)	0.0%	0.00	27.97	(12.58)
75	21	20	31.3	10.4%	2.50	15.18	12.29	9.65	4.38	3.15	35.5%	90.58	28.48	77.76	35.5%	90.58	32.67	75.88
76	24	23	34.5	1.1%	2.50	1.66	12.29	(3.87)	4.28	3.76	13.2%	32.80	27.81	20.29	13.2%	32.80	31.89	18.45
77	31	28	39.1	0.0%	2.50	0.00	12.29	(5.53)	3.56	2.36	25.9%	53.76	23.14	43.34	25.9%	53.76	26.54	41.81
78	30	28	38.3	0.0%	2.50	0.00	12.29	(5.53)	2.50	3.05	0.0%	0.00	16.22	(7.30)	0.0%	0.00	18.61	(8.37)
79	42	41	50.9	0.0%	3.00	0.00	14.75	(6.64)	3.06	4.09	0.0%	0.00	19.89	(8.95)	0.0%	0.00	22.81	(10.26)
80	40	39	48.4	0.0%	3.50	0.00	17.21	(7.75)	4.25	4.09	0.0%	0.00	27.64	(12.44)	0.0%	0.00	31.70	(14.26)
81	36	35	44.0	0.0%	3.50	0.00	17.21	(7.75)	4.88	4.22	0.0%	0.00	31.73	(14.28)	0.0%	0.00	36.38	(16.37)
82	28	26	34.4	1.4%	4.50	3.76	22.13	(6.20)	4.56	3.64	21.2%	56.32	29.62	42.99	21.2%	56.32	33.97	41.04
83	34	26	34.1	2.4%	4.00	5.50	19.67	(3.36)	3.92	3.58	10.9%	24.90	25.51	13.42	10.9%	24.90	29.26	11.73
84	35	31	38.8	0.0%	4.00	0.00	19.67	(8.85)	4.05	3.65	0.0%	0.00	26.34	(11.85)	0.0%	0.00	30.20	(13.59)
85	23	18	26.1	25.3%	3.75	55.17	18.44	46.87	3.54	3.20	32.3%	66.58	23.00	56.23	32.3%	66.58	26.38	54.71
86	17	7	13.9	60.2%	3.30	115.60	16.23	108.30	2.74	2.44	64.6%	103.13	17.82	95.11	64.6%	103.13	20.44	93.93
87	30	22	29.1	16.7%	2.60	25.29	12.79	19.54	2.39	2.64	8.0%	11.13	15.53	4.14	16.7%	25.66	17.81	17.65
88	35	34	41.0	0.0%	2.60	0.00	12.79	(5.75)	2.78	3.79	0.0%	0.00	18.07	(8.13)	0.0%	0.00	20.72	(9.33)
89	36	36	41.9	0.0%	3.00	0.00	14.75	(6.64)	3.65	4.14	0.0%	0.00	23.70	(10.67)	0.0%	0.00	27.19	(12.23)
90	24	22	28.1	19.4%	3.45	38.98	16.97	31.34	3.69	3.29	28.2%	60.49	23.98	49.70	28.2%	60.49	27.50	48.12
91	31	30	35.8	0.0%	3.00	0.00	14.75	(6.64)	3.07	2.86	4.7%	8.41	19.96	(0.57)	4.7%	8.41	22.89	(1.89)
92	38	36	41.0	0.0%	3.00	0.00	14.75	(6.64)	3.05	3.59	0.0%	0.00	19.82	(8.92)	0.0%	0.00	22.72	(10.23)
93	28	27	31.1	10.9%	3.00	19.04	14.75	12.40	3.20	2.87	20.0%	37.34	20.80	27.97	20.0%	37.34	23.86	26.60
94	32	31	34.8	0.5%	3.25	0.91	15.98	(6.29)	3.00	3.37	0.0%	0.00	19.53	(8.79)	0.5%	0.94	22.40	(9.14)
95	18	17	20.5	41.3%	3.35	80.53	16.47	73.12	3.52	4.24	29.3%	60.12	22.90	49.81	41.3%	101.98	26.27	90.16
96	30	29	32.1	8.1%	3.55	16.70	17.46	8.85	3.91	5.76	0.0%	0.00	25.40	(11.43)	8.1%	27.10	29.13	13.99
97	56	55	58.1	0.0%	4.28	0.00	21.04	(9.47)	4.13	3.64	0.0%	0.00	26.82	(12.07)	0.0%	0.00	30.76	(13.84)
98	37	36	38.7	0.0%	4.28	0.00	21.03	(9.46)	3.95	3.04	14.8%	33.97	25.68	22.42	14.8%	33.97	29.45	20.72
99	35	34	36.4	0.0%	4.06	0.00	19.96	(8.98)	3.16	2.84	6.4%	11.76	20.52	2.52	6.4%	11.76	23.53	1.16
00	38	37	39.1	0.0%	3.67	0.00	18.03	(8.11)	3.34	3.02	0.0%	0.00	21.73	(9.78)	0.0%	0.00	24.92	(11.21)
01	43	41	42.5	0.0%	2.83	0.00	13.93	(6.27)	3.31	3.07	0.0%	0.00	21.52	(9.68)	0.0%	0.00	24.68	(11.10)
02	31	27	28.4	18.8%	3.28	35.87	16.12	28.62	3.34	3.09	24.9%	48.36	21.71	38.59	24.9%	48.36	24.90	37.16
03	46	44	44.8	0.0%	3.06	0.00	15.03	(6.76)	3.73	3.14	0.0%	0.00	24.25	(10.91)	0.0%	0.00	27.81	(12.51)
04	42	40	40.9	0.0%	3.28	0.00	16.12	(7.25)	3.40	3.77	0.0%	0.00	22.10	(9.95)	0.0%	0.00	25.35	(11.41)
05	39	34	33.7	3.5%	3.94	8.02	19.40	(0.71)	3.56	3.28	11.1%	22.96	23.14	12.55	11.1%	22.96	26.54	11.02
06 ⁵	35	35.5	35.5	0.0%	3.11	0.00	15.30	(6.89)	3.52	4.81	0.0%	0.00	22.88	(10.30)	0.0%	0.00	26.24	(11.81)

NASS 33 & 20 Years Simple Average Yield		33	20	Years
		30.4	35.6	38.8 RMA Expted County Yield
Farmer Paid Loss Ratio		1.73		2.02
Frequency of Claim		41%		47%
Industry Loss Ratio		0.78		0.93
Break Even Premium Rate		6.6%		10.4%

*Prepared by G.A. (Art) Barnaby, Jr., Professor, Department of Agricultural Economics, K-State Research and Extension, Kansas State University, Manhattan, KS 66506, September 19, 2006, Phone 785-532-1515, e-mail - barnaby@ksu.edu

¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPCI-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 13. Wilson County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 40.7 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150%		Maximum Liability		90%		90%		90%		90%		90%		90%		90%		90%	
County ¹		Observed	Coverage	Coverage		Coverage		Coverage		Coverage		Coverage		Coverage		Coverage		Coverage	
Yr	Yd	Trend Yd ²	GRP Pymt Rate	APH ³ Price	GRP Pymt	10.6% GRP Prem	Net GRIP Pymt	Plant ³ Price	Havst ³ Price	GRIP Pymt Rate	GRIP Pymt	11.9% GRIP ⁴ Prem	Net GRIP Pymt	HRO Pymt Rate	GRIP-HRO Pymt	GRIP-HRO ⁴ Prem	HRO Pymt	GRIP-HRO Pymt	
73	34	31	44.4	0.0%	2.00	0.00	12.93	(5.82)	1.88	2.59	0.0%	0.00	13.63	(6.13)	0.0%	0.00	16.20	(7.29)	
74	27	26	38.6	0.0%	2.00	0.00	12.93	(5.82)	3.75	4.05	0.0%	0.00	27.23	(12.25)	0.0%	0.00	32.36	(14.56)	
75	23	21	33.3	9.1%	2.50	13.95	16.16	6.68	4.38	3.15	34.6%	92.52	31.80	78.21	34.6%	92.52	37.80	75.51	
76	19	19	30.8	15.9%	2.50	24.34	16.16	17.06	4.28	3.76	26.2%	68.37	31.05	54.40	26.2%	68.37	36.90	51.76	
77	31	29	40.5	0.0%	2.50	0.00	16.16	(7.27)	3.56	2.36	26.9%	58.38	25.84	46.75	26.9%	58.38	30.71	44.56	
78	24	22	32.9	10.2%	2.50	15.53	16.16	8.25	2.50	3.05	0.0%	0.00	18.12	(8.15)	10.2%	18.95	21.53	9.26	
79	40	38	48.8	0.0%	3.00	0.00	19.40	(8.73)	3.06	4.09	0.0%	0.00	22.21	(9.99)	0.0%	0.00	26.39	(11.88)	
80	43	42	52.0	0.0%	3.50	0.00	22.63	(10.18)	4.25	4.09	0.0%	0.00	30.86	(13.89)	0.0%	0.00	36.68	(16.50)	
81	30	29	38.7	0.0%	3.50	0.00	22.63	(10.18)	4.88	4.22	8.6%	25.71	35.42	9.77	8.6%	25.71	42.10	6.76	
82	31	28	37.0	0.0%	4.50	0.00	29.09	(13.09)	4.56	3.64	19.3%	53.71	33.07	38.82	19.3%	53.71	39.30	36.02	
83	33	29	38.0	0.0%	4.00	0.00	25.86	(11.64)	3.92	3.58	5.3%	12.74	28.49	(0.08)	5.3%	12.74	33.85	(2.49)	
84	36	34	42.3	0.0%	4.00	0.00	25.86	(11.64)	4.05	3.65	0.0%	0.00	29.41	(13.23)	0.0%	0.00	34.95	(15.73)	
85	19	16	24.5	33.2%	3.75	76.05	24.24	65.14	3.54	3.20	39.5%	85.37	25.68	73.82	39.5%	85.37	30.52	71.64	
86	22	7	15.0	59.1%	3.30	119.02	21.34	109.42	2.74	2.44	63.6%	106.53	19.90	97.57	63.6%	106.53	23.65	95.88	
87	26	16	23.5	35.8%	2.60	56.82	16.81	49.25	2.39	2.64	29.1%	42.41	17.34	34.61	35.8%	57.65	20.60	48.38	
88	39	37	44.2	0.0%	2.60	0.00	16.81	(7.56)	2.78	3.79	0.0%	0.00	20.18	(9.08)	0.0%	0.00	23.98	(10.79)	
89	42	41	47.4	0.0%	3.00	0.00	19.40	(8.73)	3.65	4.14	0.0%	0.00	26.47	(11.91)	0.0%	0.00	31.45	(14.15)	
90	29	26	32.6	11.1%	3.45	23.28	22.30	13.25	3.69	3.29	20.7%	46.68	26.78	34.63	20.7%	46.68	31.82	32.36	
91	31	29	34.4	6.1%	3.00	11.16	19.40	2.43	3.07	2.86	12.6%	23.62	22.29	13.59	12.6%	23.62	26.49	11.70	
92	44	41	46.4	0.0%	3.00	0.00	19.40	(8.73)	3.05	3.59	0.0%	0.00	22.13	(9.96)	0.0%	0.00	26.29	(11.83)	
93	27	26	30.7	16.1%	3.00	29.48	19.40	20.75	3.20	2.87	24.7%	48.27	23.23	37.82	24.7%	48.27	27.60	35.85	
94	32	28	32.5	11.2%	3.25	22.20	21.01	12.75	3.00	3.37	0.5%	0.97	21.81	(8.84)	11.2%	22.99	25.92	11.33	
95	21	21	24.7	32.5%	3.35	66.47	21.66	56.73	3.52	4.24	18.7%	40.26	25.57	28.76	32.5%	84.18	30.39	70.50	
96	30	23	27.1	26.1%	3.55	56.58	22.95	46.26	3.91	5.76	0.0%	0.00	28.36	(12.76)	26.1%	91.80	33.70	76.63	
97	56	54	57.5	0.0%	4.28	0.00	27.66	(12.45)	4.13	3.64	0.0%	0.00	29.95	(13.48)	0.0%	0.00	35.59	(16.02)	
98	41	40	43.3	0.0%	4.28	0.00	27.65	(12.44)	3.95	3.04	9.1%	21.95	28.67	9.05	9.1%	21.95	34.07	6.62	
99	32	31	33.0	9.9%	4.06	24.53	26.24	12.72	3.16	2.84	19.0%	36.68	22.91	26.37	19.0%	36.68	27.23	24.43	
00	42	41	43.3	0.0%	3.67	0.00	23.71	(10.67)	3.34	3.02	0.0%	0.00	24.26	(10.92)	0.0%	0.00	28.83	(12.97)	
01	49	47	48.2	0.0%	2.83	0.00	18.32	(8.24)	3.31	3.07	0.0%	0.00	24.03	(10.81)	0.0%	0.00	28.55	(12.85)	
02	35	33	34.4	6.0%	3.28	12.04	21.19	2.51	3.34	3.09	13.1%	26.62	24.24	15.71	13.1%	26.62	28.81	13.65	
03	49	46	46.9	0.0%	3.06	0.00	19.76	(8.89)	3.73	3.14	0.0%	0.00	27.08	(12.18)	0.0%	0.00	32.18	(14.48)	
04	38	35	35.7	2.6%	3.28	5.27	21.19	(4.27)	3.40	3.77	0.0%	0.00	24.68	(11.11)	2.6%	6.06	29.33	(7.14)	
05	35	31	31.4	14.2%	3.94	34.27	25.50	22.80	3.56	3.28	21.0%	45.60	25.84	33.97	21.0%	45.60	30.71	31.78	
06 ⁵	37	36.6	0.0%	3.11	0.00	20.11	(9.05)	3.52	4.81	0.0%	0.00	25.55	(11.50)	0.0%	0.00	30.36	(13.66)		

NASS 33 & 20 Years Simple Average Yield							33	20	Years										
							30.8	36.6	40.7 RMA Expted County Yield										
							RMA						RMA						RMA
							1.84						2.15						2.24
							47%						53%						62%
							0.83						0.97						1.01
							8.8%						11.5%						14.2%

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPC-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.

Table 14. Woodson County, KS Wheat 2007 GRP and GRIP with an RMA Expected Yield of 40.7 Bushels Generating Simulated Indemnity Payments based on 34 Years of prices and Trend Adjusted Yields (No Practice Specified, with 150 % Scaler)*

150% County ¹	Maximum Liability 0.364801			90% Cov	90% Coverage	90% GRIP-	12.0% GRIP-	GRIP-	12.0% HRO	GRIP-	12.0% HRO	GRIP-	12.0% HRO	GRIP-	12.0% HRO														
	Havst	Observed	GRP													APH ³ Price	GRP Pymt	8.2% GRP Prem	Net GRIP Pymt	Plant ³ Price	Havst ³ Price	GRIP Pymt Rate	GRIP Pymt	10.3% GRIP ⁴ Prem	Net GRIP Pymt	HRO Pymt Rate	GRIP- HRO Pymt	GRIP- HRO ⁴ Prem	GRIP- HRO Pymt
	Yr	Yd	Trend Yd ²																										
	Yr	Yd	Yd ²																										
73	32	32	43.7	0.0%	2.00	0.00	9.96	(4.48)	1.88	2.59	0.0%	0.00	11.77	(5.30)	0.0%	0.00	13.75	(6.19)											
74	26	24	35.0	4.5%	2.00	5.48	9.96	1.00	3.75	4.05	0.0%	0.00	23.52	(10.58)	4.5%	11.11	27.46	(1.25)											
75	24	23	34.1	7.0%	2.50	10.69	12.45	5.09	4.38	3.15	33.1%	88.41	27.47	76.05	33.1%	88.41	32.07	73.97											
76	25	25	35.4	3.4%	2.50	5.21	12.45	(0.39)	4.28	3.76	15.2%	39.63	26.82	27.56	15.2%	39.63	31.31	25.54											
77	28	27	37.6	0.0%	2.50	0.00	12.45	(5.60)	3.56	2.36	32.0%	69.60	22.32	59.56	32.0%	69.60	26.06	57.87											
78	26	22	31.8	13.2%	2.50	20.17	12.45	14.57	2.50	3.05	0.0%	0.00	15.65	(7.04)	13.2%	24.62	18.27	16.40											
79	41	40	49.3	0.0%	3.00	0.00	14.95	(6.73)	3.06	4.09	0.0%	0.00	19.18	(8.63)	0.0%	0.00	22.39	(10.08)											
80	42	38	47.0	0.0%	3.50	0.00	17.44	(7.85)	4.25	4.09	0.0%	0.00	26.66	(12.00)	0.0%	0.00	31.12	(14.00)											
81	32	29	38.1	0.0%	3.50	0.00	17.44	(7.85)	4.88	4.22	10.1%	29.95	30.60	16.18	10.1%	29.95	35.72	13.88											
82	32	28	36.4	0.6%	4.50	1.63	22.42	(8.46)	4.56	3.64	20.6%	57.20	28.57	44.35	20.6%	57.20	33.35	42.20											
83	35	30	38.0	0.0%	4.00	0.00	19.93	(8.97)	3.92	3.58	5.3%	12.80	24.61	1.73	5.3%	12.80	28.73	(0.13)											
84	35	29	36.8	0.0%	4.00	0.00	19.93	(8.97)	4.05	3.65	9.5%	23.59	25.40	12.16	9.5%	23.59	29.65	10.25											
85	25	22	29.6	19.1%	3.75	43.81	18.68	35.41	3.54	3.20	26.8%	57.83	22.18	47.84	26.8%	57.83	25.90	46.17											
86	22	8	14.5	60.5%	3.30	121.95	16.44	114.55	2.74	2.44	64.9%	108.69	17.19	100.96	64.9%	108.69	20.07	99.66											
87	27	16	22.7	38.2%	2.60	60.57	12.95	54.74	2.39	2.64	31.7%	46.22	14.98	39.48	38.2%	61.46	17.48	53.59											
88	34	33	39.5	0.0%	2.60	0.00	12.95	(5.83)	2.78	3.79	0.0%	0.00	17.43	(7.84)	0.0%	0.00	20.35	(9.16)											
89	39	37	42.6	0.0%	3.00	0.00	14.95	(6.73)	3.65	4.14	0.0%	0.00	22.86	(10.29)	0.0%	0.00	26.69	(12.01)											
90	29	24	29.3	19.9%	3.45	41.96	17.19	34.22	3.69	3.29	28.6%	64.48	23.13	54.07	28.6%	64.48	27.00	52.32											
91	30	30	34.7	5.2%	3.00	9.53	14.95	2.80	3.07	2.86	11.8%	22.07	19.25	13.40	11.8%	22.07	22.48	11.95											
92	39	37	41.8	0.0%	3.00	0.00	14.95	(6.73)	3.05	3.59	0.0%	0.00	19.11	(8.60)	0.0%	0.00	22.31	(10.04)											
93	23	20	24.2	34.0%	3.00	62.35	14.95	55.63	3.20	2.87	40.8%	79.73	20.06	70.70	40.8%	79.73	23.42	69.19											
94	40	37	40.9	0.0%	3.25	0.00	16.19	(7.29)	3.00	3.37	0.0%	0.00	18.84	(8.48)	0.0%	0.00	21.99	(9.90)											
95	27	26	29.6	19.2%	3.35	39.25	16.69	31.74	3.52	4.24	2.7%	5.79	22.09	(4.15)	19.2%	49.70	25.79	38.10											
96	28	25	28.1	23.4%	3.55	50.76	17.68	42.80	3.91	5.76	0.0%	0.00	24.50	(11.02)	23.4%	82.34	28.60	69.47											
97	53	52	54.6	0.0%	4.28	0.00	21.31	(9.59)	4.13	3.64	0.0%	0.00	25.87	(11.64)	0.0%	0.00	30.20	(13.59)											
98	42	41	43.4	0.0%	4.28	0.00	21.30	(9.59)	3.95	3.04	8.9%	21.56	24.77	10.42	8.9%	21.56	28.91	8.55											
99	31	31	32.9	10.2%	4.06	25.36	20.22	16.26	3.16	2.84	19.3%	37.26	19.79	28.36	19.3%	37.26	23.11	26.86											
00	43	42	43.8	0.0%	3.67	0.00	18.27	(8.22)	3.34	3.02	0.0%	0.00	20.95	(9.43)	0.0%	0.00	24.46	(11.01)											
01	48	46	47.6	0.0%	2.83	0.00	14.11	(6.35)	3.31	3.07	0.0%	0.00	20.75	(9.34)	0.0%	0.00	24.23	(10.90)											
02	38	34	35.6	2.9%	3.28	5.89	16.33	(1.46)	3.34	3.09	10.2%	20.81	20.94	11.39	10.2%	20.81	24.45	9.81											
03	56	53	54.1	0.0%	3.06	0.00	15.22	(6.85)	3.73	3.14	0.0%	0.00	23.39	(10.52)	0.0%	0.00	27.30	(12.29)											
04	33	31	31.7	13.5%	3.28	27.11	16.33	19.76	3.40	3.77	4.1%	8.59	21.32	(1.00)	13.5%	31.18	24.89	19.98											
05	23	21	20.5	44.0%	3.94	105.93	19.65	97.08	3.56	3.28	48.4%	105.18	22.32	95.13	48.4%	105.18	26.06	93.45											
06 ⁵	36	35.9	35.9	1.9%	3.11	3.63	15.50	(3.34)	3.52	4.81	0.0%	0.00	22.07	(9.93)	1.9%	5.62	25.77	(5.98)											

							33	20	Years
NASS 33 & 20 Years Simple Average Yield							30.7	35.6	40.7 RMA Expted County Yield
							RMA		RMA
Farmer Paid Loss Ratio							2.60		2.68
Frequency of Claim							53%		56%
Industry Loss Ratio							1.17		1.27
Break Even Premium Rate							9.5%		12.4%

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¹NASS county yields for the 2007 wheat, corn, sorghum, and soybean harvest will not be released until about March of 2008. Any GRIP/GRP claims will only be paid after the NASS county yield is published. Kansas wheat GRIP/GRP claims will be paid approximately 9 months after harvest.

²The observed county yields adjusted for trend were deducted from the RMA 2007 established expected county yield to calculate historical indemnity payments and premiums. If history predicts future yields and prices then the calculated indemnity payments is the long run expected payout. However, this assumes RMA does not adjust future expected yields or rates. Over the past 11 years RMA has made significant adjustments to both expected yields and GRP rates. The GRIP rates have only been available for two years but one would expect RMA to make similar adjustments. RMA split irrigated and non-irrigated yields in 2007. In most Counties there is no published data for practices (irrigated, non-irrigated, summer fallow, etc.) prior to 1970. Those yields were estimated from the total county yield.

³GRIP/GRP in the past used different price elections than APH products. This year corn and soybeans GRP will use the MPCI-APH announced price but not the market price if one is offered and CRC prices for GRIP. However, this will not apply to wheat. The analysis uses the GRP price election offered in the respective year if available otherwise the APH price election. The CRC wheat prices were used for GRIP. However in Nebraska and other states the GRIP price is the September average price set after sales closing not the CRC price. In future RMA plans to use the same price election for all products.

⁴The estimated price volatility factor for 2007 of 0.20 was used to calculate GRIP and GRIP-HRO premiums. Like price elections the volatility is reset each year.

⁵The County yield for 2006 is a KSU estimate. The NASS county yield used to settle GRIP/GRP claims will not be published until about April, 2007.