

SUpplemental REvenue (SURE)

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SUpplemental REvenue Assistance

Supplemental Revenue Assistance Payments (SURE)

Farm Bill & administrative changes to crop insurance

Livestock Forage Disaster Program (LFP)

Livestock Indemnity Program (LIP)

Tree Assistance Program (TAP)

Emergency Assistance for Livestock, Honey Bees & Farm
Raised Fish (EALHF) Program

Supplemental Revenue Assistance

The devil is in the details!

Many assumptions were made in this analysis because a number of important details are not defined or left to the Secretary to define.

No warranties are implied or given in this analysis.

Use slides and analysis at your own peril!

Defining SURE Rules

Coverage is whole farm and includes all crops in all counties and crosses state lines.

County requires a Secretary's disaster declaration (include contiguous counties) or the whole farm must have a 50% expected revenue loss to be eligible.

Farmers in multiple counties will need a disaster declaration in one county being farmed?

Each Corporation will be treated as a single farm so a farmer with several corporations will have several SURE "units".

Supplemental Revenue Assistance (SURE)

SURE guarantee = planted or considered planted acres x % crop insurance coverage x adjusted APH/APH/program yield x CI price election x 115%

SURE cap = 90% of expected revenue for each crop.
Planted acres x adjusted APH/APH/program yield x insurance price guarantee

Defining SURE Rules

Price setting SURE?; is it CRC price setting guarantees and 90% cap or the APH price?

If less than 4 years of history, farmers can drop one "plugged" yield. If more than 4 years, will all "plugged" yields be dropped in SURE adjusted aph?

The Law states that crop insurance indemnity payments will count against the SURE guarantee, but does this mean net or gross indemnity?

SUpplemental **RE**venue Assistance (SURE)

Revenue to count = indemnities, prevented planting, 15% of direct payments, CC, ACRE, marketing loan gains, crop values (harvested acres x yield x MYA price)

SURE Payment = SURE Guarantee less the Revenue to count X 60%

SUpplemental **RE**venue Assistance

Supplemental Revenue Assistance Payments (SURE)

Adds supplemental "free" whole farm revenue insurance coverage

Requires all crops to be insured or pay NAP fees, if there is no insurance available

Supplemental Revenue Assistance (SURE)

SURE guarantee = planted & considered planted acres x % crop insurance coverage x adjusted APH/APH/program yield x CI price election x 115% (120% in 2008 , in Stimulus Bill)

Adjusted SURE aph= If less than 4 years of history, farmers can drop one "plugged" yield. If more than 4 years, all "plugged" yields will be dropped in SURE adjusted aph?

SURE cap = 90% x planted acres x adjusted APH/APH/program yield x insurance price guarantee

Supplemental Revenue Assistance (SURE)

Revenue to count = indemnities, prevented planting, 15% of direct payments, CC, ACRE, marketing loan gains, crop values (harvested acres x yield x MYA price)

SURE Payment = SURE Guarantee less the Revenue to count X 60%

Technical Corrections

Requires a 10 percent **yield** loss due to natural causes on at least one crop of economic significance for SURE eligibility. **Economic significance** means the expected revenue from the crop must be at least 10% (changed to 5%) of total crop revenue.

Eliminates counting of "ghost" & *de minimis* crops in SURE guarantee, revenue to count and do not require insurance or NAP fees.

Crop Insurance and SURE Corn Calculation Worksheet

	RA-HPO
1 Crop Ins. Coverage Level	70%
2 Crop Insurance aph	117.6
3 Crop Ins. Price Election	\$4.04
4 \$ Crop Ins. Coverage (ln1 X ln2 X ln3)	<u>\$332.57</u>
5 Yield	10.0
6 Crop Ins. RA Harvest Price	\$3.00
7 Final Revenue Guarantee Max (ln3 , ln6) X ln1 X ln2	<u>\$332.57</u>
8 \$ to Count (ln5 X ln6)	<u>\$30.00</u>
9 APH Indemnity Bu. (ln1 X ln2 - 5ln)	N/A
10 Indemnity Pymt (RA-HPO) (ln7 - ln8)	<u>\$302.57</u>
11 15% of Direct Pymt² + Other Gov Pymts	\$4.00

Crop Insurance and SURE Corn Calculation Worksheet

12 SURE "aph"		???
13 Coverage (Same as Crop Ins.)		70%
14 "Price" ³		
15 SURE 115% Factor		115%
16 SURE Coverage	(ln12 X ln13 X ln14 X ln15)	
17 Max Rev Cap	(ln12 X ln3 X 90%)	
18 Lesser of line 16 or line 17		
18 NASS Price ³		\$3.50
19 SURE Crop "Sales"	(ln5 X ln18)	
20 Gov Pymts & Crop Ins.	(ln10 + ln11)	
21 Gross SURE Pymt	(ln18 - ln19 - ln20)	
22 60% X SURE Pymt (net)	(ln21 X 60%)	
23 Total Revenue	(ln19 + ln20 + ln22)	
24 Crop Ins. Premium ⁵		\$21.42
Total Revenue Less Crop		
25 Ins. Premium	ln23 - ln24	

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13

Calculate SURE "aph"

60% of T aph Yields

Year 10		N/A
Year 9		136
Year 8		142
Year 7	62	35
Year 6		87
Year 5		155
Year 4		131
Year 3		125
Year 2		103
Year 1		117

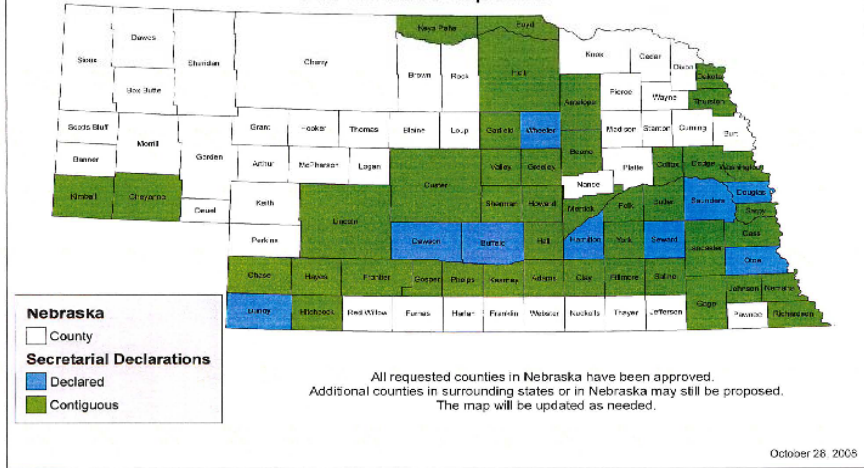
Simple Average	114.6
aph Yield	117.6
SURE Yield	124.5

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14

Nebraska 2008 Approved and Proposed Secretarial Disaster Declarations For SURE Purposes



Estimated Weighted National Average Price and Projected % SURE Price loss (4/13/09)

Crop	Wheat		Corn		Grain Sorghum	Soy-beans
	Month	Price	Month	Price		
	Jun	7.62	Sep	5.02	4.60	10.70
	Jul	7.16	Oct	4.37	3.96	9.94
	Aug	7.64	Nov	4.26	3.68	9.38
	Sep	7.43	Dec	4.05	2.87	8.97
	Oct	6.67	Jan	4.36	3.27	9.97
	Nov	6.28	Feb	3.87	2.83	9.55
	Dec	5.91	Mar	3.96	3.10	9.13
	Jan	5.90				
	Feb	5.79				
	Mar	5.84				
Prior Month USDA Est. NASS Price		6.80		4.10	3.70	9.35
USDA Est. 2008/09 NASS Price		6.85		4.20	3.80	9.65
KSU Est. 2008/09 NASS Price²		\$6.78		\$4.22	\$3.39	\$9.66
% of 08-09 NASS Price Settled ³		88%		63%	72%	70%
SURE						
2008 RA & SURE Strike		8.60		5.40	5.06	13.36
2008 RA Harvest Price		8.60		3.74	3.87	9.22
2008 NASS SURE Claim Price		6.78		4.22	3.39	9.66
\$ Price Loss in SURE Claim		\$1.82		\$1.18	\$1.67	\$3.70
% Price Loss in SURE Claim		21%		22%	33%	28%

Summary of farm bill crop insurance title

Administratively, USDA increased the price limits on CRC from current levels to 2 times base price, e.g. increased corn from \$5.54 cap (\$4.04 + \$1.50) to \$8.08 and eliminated the downside price limit.

Administratively, USDA will apply this same price limit to RA for the first time. Limit also applies to GRIP.

Conduct a pilot that increases the subsidy rate on enterprise & whole farm units to match optional unit subsidy.

Increased subsidy rate on enterprise & whole farm units

Coverage Level	50	55	60	65	70	75	80	85
Current Subsidy Level	67%	64%	64%	59%	59%	55%	48%	38%
Increase Subsidy for:								
Enterprise Units*	80%	80%	80%	80%	80%	77%	68%	53%
Whole Farm Units*	n/a	n/a	n/a	80%	80%	80%	71%	56%

*New increased subsidy for Enterprise and Whole Farm units are only on insurance plans and in counties that RMA offers Enterprise and Whole Farm units.

Enterprise Unit vs. Optional Units

- Optional units insure a crop by “field” so an insurance claim on one field will not be affected by the yields on other fields. Enterprise unit combines all of a farmer’s crop acres together for a single crop. This lowers the risk of paying a claim, but this can be offset by buying a higher coverage level.
- For example, changing from 65% optional units to an 80% enterprise RA/CRC unit will do the following; 1. increases subsidy, 2. receive enterprise premium discount, 3. increases the total dollars of revenue guaranteed, 4. lowers the deductible but often lowers premiums too, and 5. increases “free” SURE coverage.

SURE and Crop Insurance is a Joint Decision

Increasing crop insurance coverage will increase the SURE coverage too.

Spot loss can be covered with private hail, (in some cases wind, fire, freeze or other perils) and the indemnity payments will **not** count against the SURE payments.

CRC and RA-HPO have different enterprise definitions.

Crop Insurance and SURE Wheat Calculation Worksheet

	RA-HPO
1 Crop Ins. Coverage Level	70%
2 Crop Insurance aph	45.3
3 Crop Ins. Price Election	\$8.77
4 \$ Crop Ins. Coverage (ln1 X ln2 X ln3)	<u>\$278.10</u>
5 Yield	10.0
6 Crop Ins. RA Harvest Price	\$6.00
7 Final Revenue Guarantee Max (ln3 , ln6) X ln1 X ln2	<u>\$278.10</u>
8 \$ to Count (ln5 X ln6)	<u>\$60.00</u>
9 APH Indemnity Bu. (ln1 X ln2 - 5ln)	N/A
10 Indemnity Pymt (RA-HPO) (ln7 - ln8)	<u>\$218.10</u>
11 15% of Direct Pymt² + Other Gov Pymts	\$1.00

Crop Insurance and SURE Wheat Calculation Worksheet

12 SURE "aph"	<u>???</u>
13 Coverage (Same as Crop Ins.)	70%
14 "Price"³	<u> </u>
15 SURE 115% Factor	115%
16 SURE Coverage (ln12 X ln13 X ln14 X ln15)	<u> </u>
17 Max Rev Cap (ln12 X ln3 X 90%)	<u> </u>
18 Lesser of line 16 or line 15	<u> </u>
18 NASS Price³	\$5.80
19 SURE Crop "Sales" (ln5 X ln18)	<u> </u>
20 Gov Pymts & Crop Ins. (ln10 + ln11)	<u> </u>
21 Gross SURE Pymt (ln18 - ln19 - ln20)	<u> </u>
22 60% X SURE Pymt (net) (ln21 X 60%)	<u> </u>
23 Total Revenue (ln19 + ln20 + ln22)	<u> </u>
24 Crop Ins. Premium⁵	\$16.69
Total Revenue Less Crop	<u> </u>
25 Ins. Premium ln23 - ln24	<u> </u>

Calculate SURE "aph"

60% of T aph Yield:

2008		66.4
2007	18.6	9.0
2006		40.8
2005		45.0
2004		52.7
2003		48.4
2002		N/A
2001		N/A
2000		N/A
1999		N/A

Simple Average	43.7
aph Yield	45.3
SURE Yield	<u>50.7</u>

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Crop Insurance and SURE Wheat Calculation Worksheet

12 SURE "aph"		<u>50.7</u>
13 Coverage (Same as Crop Ins.)		<u>70%</u>
14 "Price" ³		<u>\$8.77</u>
15 SURE 115% Factor		<u>115%</u>
16 SURE Coverage	(ln12 X ln13 X ln14 X ln15)	<u>\$357.93</u>
17 Max Rev Cap	(ln12 X ln3 X 90%)	<u>\$400.18</u>
18 Lesser of line 16 or line 15		<u>\$357.93</u>
18 NASS Price ³		<u>\$5.80</u>
19 SURE Crop "Sales"	(ln5 X ln18)	<u>\$58.00</u>
20 Gov Pymts & Crop Ins.	(ln10 + ln11)	<u>\$219.10</u>
21 Gross SURE Pymt	(ln18 - ln19 - ln20)	<u>\$80.84</u>
22 60% X SURE Pymt (net)	(ln21 X 60%)	<u>48.50</u>
23 Total Revenue	(ln19 + ln20 + ln22)	<u>\$325.60</u>
24 Crop Ins. Premium ⁵		<u>\$16.69</u>
Total Revenue Less Crop		
25 Ins. Premium	ln23 - ln24	<u>\$308.91</u>

SURE Claims for 2008?

- Corn strike price for revenue insured farmers is \$5.40 and the current 2008 NASS estimated price is \$4.43 and will increase the odds of SURE payments in disaster counties with only a “small” yield loss.
- Soybean strike is \$13.36 and 2008 est. NASS price is \$10.29
- Wheat strike is \$8.60 and 2008 est. NASS price is \$6.89.

Supplemental REvenue Assistance (SURE)

“(5) DISASTER COUNTY.—

“(A) IN GENERAL.—The term ‘disaster county’ means a county included in the geographic area covered by a qualifying natural disaster declaration.

“(B) INCLUSION.—The term ‘disaster county’ includes—

“(i) a county contiguous to a county described in subparagraph (A); and

“(ii) any farm in which, during a calendar year, the total loss of production of the farm relating to weather is greater than 50 percent of the normal production of the farm, as determined by the Secretary.

What adjustment to the aph will USDA make for SURE?

(2) ADJUSTED ACTUAL PRODUCTION HISTORY YIELD.—The term ‘adjusted actual production history yield’ means—

(A) in the case of an eligible producer on a farm that has at least 4 years of actual production history yields for an insurable commodity that are established other than pursuant to section 508(g) (4) (B) , the actual production history for the eligible producer without regard to any yields established under that section;

What adjustment to the aph will USDA make for SURE?

- *“(B) in the case of an eligible producer on a farm that has less than 4 years of actual production history yields for an insurable commodity, of which 1 or more were established pursuant to section 508(g) (4) (B), the actual production history for the eligible producer as calculated without including the lowest of the yields established pursuant to section 508(g) (4) (B)*

How will the Secretary establish SURE guarantees for GRIP/GRP buyers?

*(D) EQUITABLE TREATMENT FOR NONYIELD BASED POLICIES.—The Secretary shall establish equitable treatment for **nonyield based policies** and plans of insurance, such as the Adjusted Gross Revenue Lite insurance program.*

Net or gross indemnity?

(v) the amount of payments for prevented planting on a farm;

(vi) the amount of crop insurance indemnities received by an eligible producer on a farm for each crop on a farm;

(vii) the amount of payments an eligible producer on a farm received under the noninsured crop assistance program for each crop on a farm;

How will the Secretary define “insurance price guarantee” for the 90% Cap?

- (5) *EXPECTED REVENUE.*—The expected revenue for each crop on a farm shall equal the sum obtained by adding— (A) the product obtained by multiplying—
- (i) the greatest of—
 - (I) the adjusted actual production history yield of the eligible producer on a farm; and
 - (II) the countercyclical program payment yield;
 - (ii) the acreage planted or prevented from being planted for each crop; and
 - (iii) 100 percent of the *insurance price guarantee*.

Prevented & Late Planting

Under prevented planting crop insurance coverage is reduced to 60% of the guarantee. There is also a 1% reduction in the guarantee for each day the insured plants after the final planting date.

So is the SURE coverage also reduced or do farmers maintain the same SURE coverage level but there are fewer indemnity dollars to count against the guarantee?

Defining SURE Rules

"The Secretary shall establish equitable treatment for nonyield based policies"

GRP/GRIP is based on yields; county yields. So would "equitable treatment" suggest a SURE guarantee based on county yields rather than aph yields?

Under GRIP/GRP the coverage levels are typically 85% and 90% while it is 70% or 75% under aph products, so will USDA use the 90% GRIP/GRP coverage to set the SURE coverage at 90% or will they use 75%, similar to how the subsidy is set for GRP (90% GRP gets the same subsidy rate as 75% aph products)?

Defining SURE Rules

What does FSA do with GRP/GRIP plans or AGR where there are no yields reported? Under GRIP/GRP plans there is no individual loss adjustment but there is under SURE assuming SURE is an aph program only.

So will FSA also adjust losses in the field?

Will FSA build its own "aph" record system?

Technical Corrections

Requires a 10 percent **yield** loss due to natural causes on at least one crop of economic significance for SURE eligibility. **Economic significance means the expected revenue from the crop must be at least 10% (changed to 5%) of total crop revenue.**

Eliminates counting of ghost crops in SURE guarantee and revenue to count.

Adds formula for calculating normal and actual production on the farm that **clarifies the 50% loss calculation as revenue loss.**

Technical Corrections

Allows for a de minimis crop if the NAP fee exceeds 10% of crop value or if crop is not of "economic significance" **(changed to 5%). \$9,090 for 2009 and \$3,636 for 2008 or 5% test.**

New ad hoc disaster program to reopen 2008 for NAP fees and increased SURE on 2008.

De minimis crops do not count in the SURE guarantee or revenue to count.

Eliminates pasture and range land from SURE but retains it in the Livestock Forage Disaster Program.

All Crops Must Be Insured or Covered with NAP, But What is a Crop?

Technical Correction eliminates the insurance/NAP requirement on 2 acres of brome grass in a waterway.

Technical Correction eliminates pasture as a crop.

Do farmers planting uninsured winter wheat in the fall but then destroy their wheat before harvest and replant to corn-beans regain their eligibility for SURE?

SURE Payment on 2007 KS Wheat Loss Year

Unit #	2003	2004	2005	2006	2007	2008 Average APH	Approved	Share	Crop		SURE Expect - ed Yield
									Ins.	SURE	
1 Production	7,993	8,280	7,962	8,451	1,400	10,366					
Acres	157	157	157	157	156	156					
Yield	48.4	52.7	49.2	49.3	39.0	66.4	43.7	45.3	70.8%	5,003	96.7
Plug/T yields											5,600
2 Production	7,197	6,199	6,171	5,176	0	8,305					
Acres	128.7	128.7	128.7	128.7	128.7	128.7					
Yield	55.9	48.2	47.9	40.2	0.0	64.5	42.8	45.9	70.8%	4,182	51.4
Plug/T yields											4,684
3 Production	8,184	7,732	5,823	5,478	2,921	9,032					
Acres	126	126	126	126	126	126					
Yield	65.0	61.4	44.6	43.5	23.9	71.7	51.1	51.1	70.8%	4,559	4,559
Plug/T yields											89.2
4 Production	10,148	6,514	7,119	5,272	3,416	7,967					
Acres	138	114	142	142	142	142					
Yield	73.5	57.1	50.1	37.1	24.1	56.1	49.7	49.7	70.8%	4,997	4,997
Plug/T yields											100.5
5 Production	6,915	5,548	6,712	4,851	80	7,975					
Acres	134	134	134	134	134	134					
Yield	51.6	41.4	50.1	36.2	0.6	59.5	39.9	42.9	4.2%	241	47.8
Plug/T yields											269
6 Production	8,304	5,955	6,912	3,198	95	9,306					
Acres	141	141	141	141	141	141					
Yield	58.9	42.2	41.9	23.5	0.6	66.0	38.9	41.9	70.8%	4,183	46.5
Plug/T yields											4,642
7 Production	0	0	0	0	0	6,749					
Acres	0	0	0	0	0	108.3					
Yield											
Plug/T yields								49	4.2%	223	223
8 Production	0	0	0	0	0	6,036					
Acres	0	0	0	0	0	151					
Yield								42	100.0%	6,342	6,342
Plug/T yields											151.0
9 Production	0	0	0	0	0	6,474					
Acres	0	0	0	0	0	129					
Yield								46	100.0%	5,934	5,934
Plug/T yields											129.0
10 Production	7,445	5,999	5,887	4,366	3,976	7,981					
Acres	114	114	114	114	114	114					
Yield	65.3	52.6	51.6	38.3	34.9	70.0	52.1	52.1	75.0%	4,455	4,455
Plug/T yields											85.5
11 Production	0	0	0	0	0	6,282					
Acres	0	0	0	0	0	109					
Yield								49	66.7%	3,268	3,268
Plug/T yields											66.7
12 Production	0	0	0	0	0	7,303					
Acres	0	0	0	0	0	94.2					
Yield								53	66.7%	3,330	3,330
Plug/T yields											62.8
13 Production	0	0	0	0	0	2,782					
Acres	0	0	0	0	0	42.1					
Yield								50	66.7%	1,404	1,404
Plug/T yields											28.1
14 Production	0	0	0	0	0	3,478					
Acres	0	0	0	0	0	58.3					
Yield								48	66.7%	1,899	1,899
Plug/T yields											39.6

SURE Payment on 2007 KS Wheat Loss Year

Unit #	2003	2004	2005	2006	2007	2008	Average	Approved APH	Share	Crop Ins. Expect - SURE Adj.	SURE Expect - ed Yield
1 Production	7,592	8,280	7,062	6,402	1,408	10,365					
Acres	157	157	157	157	156	156					
Yield	48.4	52.7	45.0	40.8	9.0	66.4	43.7	45.3	70.8%	5,003	5,600
Plugs/T yields					18.6						

SURE Payment on 2007 KS Wheat Loss Year

aph	50,019
SURE Adjusted aph ¹	51,604
CRC Price	\$4.52
Harvest Price	\$6.02
APH Price	\$3.90
Direct Payment	\$1,900.00
Coverage Level	70%
NASS all Wheat Price	\$6.65
Insurance rate/\$100	6.00%

SURE Payment on 2007 KS Wheat Loss Year with 70% Coverage

CRC/RA-HPO Insured (CRC/RA-HPO price sets SURE guarantee and 90% cap)

Percent of Crop Lost	90%	75%	50%	30% ²	25% ²	15% ²	10% ²	0% ²	10%> Avg ²
90% Payment CAP	279,590	279,590	279,590	279,590	279,590	279,590	279,590	279,590	279,590
Unlimited SURE Guarantee	250,077	250,077	250,077	250,077	250,077	250,077	250,077	250,077	250,077
SURE Guarantee	250,077	250,077	250,077	250,077	250,077	250,077	250,077	250,077	250,077
Less:									
Indemnity	180,670	135,503	60,223	0	0	0	0	0	0
15% of Direct + other FSA pymts	285	285	285	285	285	285	285	285	285
Sales	33,263	83,157	166,315	232,841	249,472	282,735	299,367	332,629	365,892
SURE * 60% = Net SURE	<u>21,515</u>	18,679	13,952	10,171	192	0	0	0	0
Ad Hoc Disaster Aid	45,063	32,773	12,290	0	0	0	0	0	0

CRC/RA-HPO Insured (CRC/RA-HPO price sets SURE guarantee but no harvest price on 90% cap)

Percent of Crop Lost	90%	75%	50%	30% ²	25% ²	15% ²	10% ²	0% ²	10%> Avg ²
90% Payment CAP	209,924	209,924	209,924	209,924	209,924	209,924	209,924	209,924	209,924
Unlimited SURE Guarantee	250,077	250,077	250,077	250,077	250,077	250,077	250,077	250,077	250,077
SURE Guarantee	209,924	209,924	209,924	209,924	209,924	209,924	209,924	209,924	209,924
Less:									
Indemnity	180,670	135,503	60,223	0	0	0	0	0	0
15% of Direct + other FSA pymts	285	285	285	285	285	285	285	285	285
Sales	33,263	83,157	166,315	232,841	249,472	282,735	299,367	332,629	365,892
SURE * 60% = Net SURE	<u>0</u>	0	0	0	0	0	0	0	0
Ad Hoc Disaster Aid	45,063	32,773	12,290	0	0	0	0	0	0

CRC/RA-HPO Insured (APH price sets SURE guarantee and 90% cap)

Percent of Crop Lost	90%	75%	50%	30% ²	25% ²	15% ²	10% ²	0% ²	10%> Avg ²
90% Payment CAP	181,129	181,129	181,129	181,129	181,129	181,129	181,129	181,129	181,129
Unlimited SURE Guarantee	162,010	162,010	162,010	162,010	162,010	162,010	162,010	162,010	162,010
SURE Guarantee	162,010	162,010	162,010	162,010	162,010	162,010	162,010	162,010	162,010
Less:									
Indemnity	180,670	135,503	60,223	0	0	0	0	0	0
15% of Direct + other FSA pymts	285	285	285	285	285	285	285	285	285
Sales	33,263	83,157	166,315	232,841	249,472	282,735	299,367	332,629	365,892
SURE * 60% = Net SURE	<u>0</u>	0	0	0	0	0	0	0	0
Ad Hoc Disaster Aid	45,063	32,773	12,290	0	0	0	0	0	0

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43 

SURE Payment on 2007 KS Wheat Loss Year with 70% Coverage

RA Insured (RA base price sets SURE guarantee and 90% cap)

Percent of Crop Lost	90%	75%	50%	30% ²	25% ²	15% ²	10% ²	0% ²	10%> Avg ²
90% Payment CAP	209,924	209,924	209,924	209,924	209,924	209,924	209,924	209,924	209,924
Unlimited SURE Guarantee	187,766	187,766	187,766	187,766	187,766	187,766	187,766	187,766	187,766
SURE Guarantee	187,766	187,766	187,766	187,766	187,766	187,766	187,766	187,766	187,766
Less:									
Indemnity	128,150	82,982	7,703	0	0	0	0	0	0
15% of Direct + other FSA pymts	285	285	285	285	285	285	285	285	285
Sales	33,263	83,157	166,315	232,841	249,472	282,735	299,367	332,629	365,892
SURE * 60% = Net SURE	<u>15,641</u>	12,805	8,078	0	0	0	0	0	0
Ad Hoc Disaster Aid	45,063	32,773	12,290	0	0	0	0	0	0

APH Insured (APH price sets SURE guarantee and 90% cap)

Percent of Crop Lost	90%	75%	50%	30% ²	25% ²	15% ²	10% ²	0% ²	10%> Avg ²
90% Payment CAP	181,129	181,129	181,129	181,129	181,129	181,129	181,129	181,129	181,129
Unlimited SURE Guarantee	162,010	162,010	162,010	162,010	162,010	162,010	162,010	162,010	162,010
SURE Guarantee	162,010	162,010	162,010	162,010	162,010	162,010	162,010	162,010	162,010
Less:									
Indemnity	117,046	87,784	39,015	0	0	0	0	0	0
15% of Direct + other FSA pymts	285	285	285	285	285	285	285	285	285
Sales	33,263	83,157	166,315	232,841	249,472	282,735	299,367	332,629	365,892
SURE * 60% = Net SURE	<u>6,850</u>	0	0	0	0	0	0	0	0
Ad Hoc Disaster Aid	45,063	32,773	12,290	0	0	0	0	0	0

CAT-APH Insured (APH price sets SURE guarantee and 90% cap)

Percent of Crop Lost	90%	75%	50%	30% ²	25% ²	15% ²	10% ²	0% ²	10%> Avg ²
90% Payment CAP	99,621	99,621	99,621	99,621	99,621	99,621	99,621	99,621	99,621
Unlimited SURE Guarantee	63,647	63,647	63,647	63,647	63,647	63,647	63,647	63,647	63,647
SURE Guarantee	63,647	63,647	63,647	63,647	63,647	63,647	63,647	63,647	63,647
Less:									
Indemnity	42,917	26,823	0	0	0	0	0	0	0
15% of Direct + other FSA pymts	285	285	285	285	285	285	285	285	285
Sales	33,263	83,157	166,315	232,841	249,472	282,735	299,367	332,629	365,892
SURE * 60% = Net SURE	<u>0</u>	0	0	0	0	0	0	0	0
Ad Hoc Disaster Aid	45,063	32,773	12,290	0	0	0	0	0	0

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44 

SURE for 2008

No payments on 2008 Iowa flood losses until after September 1, 2009, i.e. end of marketing year.

If it is an economically important crop, then farmers will want to buy coverage greater than CAT that will also increase their SURE coverage.

\$100,000 payment limit reduces the value of SURE versus unlimited CI payments for "large" farms.

Immediate Action Required by Farmers Last Day Sept 16, so too Late

If the major source of revenue (wheat) has already suffered a loss, then pay the \$100 NAP/CAT fees to remain eligible for SURE for 2008.

If the major source of revenue has not been harvested (corn, beans, grain sorghum), then pay the \$100 NAP/CAT fees to remain eligible for SURE for 2008. This is a "small" cost and one could still lose the crop to freeze, wind, excess moisture, etc.

If the major source of revenue (wheat) has been harvested with no loss, then don't pay the fees.

SURE Payment on 2009 KS Wheat with 70% Coverage

aph	50,019
SURE Adjusted aph ¹	51,604
CRC Price	\$8.77
Harvest Price	\$7.50
APH Price	\$7.35
Direct Payment	\$1,900.00
Coverage Level	70%
NASS all Wheat Price	\$7.30
Insurance rate/\$100	10.00%

CRC/RA-HPO Insured (CRC/RA-HPO price sets SURE guarantee and 90% cap)

Percent of Crop Lost	90%	75%	50%	30% ²	25% ²	15% ²	10% ²	0% ²	10%> Avg ²
90% Payment CAP	407,309	407,309	407,309	407,309	407,309	407,309	407,309	407,309	407,309
Unlimited SURE Guarantee	364,315	364,315	364,315	364,315	364,315	364,315	364,315	364,315	364,315
SURE Guarantee	364,315	364,315	364,315	364,315	364,315	364,315	364,315	364,315	364,315
Less:									
Indemnity	269,555	213,283	119,497	44,467	25,710	0	0	0	0
15% of Direct + other FSA pymts	285	285	285	285	285	285	285	285	285
Sales	36,514	91,286	182,571	255,599	273,857	310,371	328,628	365,142	401,656
SURE * 60% = Net SURE	34,777	35,677	37,178	38,378	38,678	32,196	21,241	0	0
Ad Hoc Disaster Aid	84,926	61,764	23,162	0	0	0	0	0	0

**SURE favors single enterprise farms
versus diversified farms!**

Will Price Decline Cause a CRC/RA Payment in 2008?

Table 1. Breakeven Yields Necessary to Eliminate Indemnity Payments

RA	CRC	CRC	
Bean	Bean	Corn	
50.0	50.0	160.0	aph
75%	75%	75%	Coverage selected by farmer
\$13.36	\$13.36	\$5.40	CRC/RA Base Price (Feb average of Dec Corn)
\$501.00	\$501.00	\$648.00	Minimum RA/CRC revenue coverage
54.5	48.5	157.0	Farmer Bushels of Production in 2008
			1.88% Yield Corn Yield Loss Required
			3.00% Yield Soybean Yield Loss Required
			109.0% Sbean Yield > Expected Required
\$9.22	\$10.36	\$4.13	CRC/RA Harvest Price ¹
\$502.49	\$502.46	\$648.41	Revenue to count
\$0.00	\$0.00	\$0.00	Pay the difference between revenue guarantee and revenue to count

¹The harvest price used to settle CRC corn and grain sorghum contracts are based on the October average closing prices of December Chicago Board of Trade (CBOT) December corn futures. The harvest price used to settle RA corn contracts are based on the November average closing prices of December CBOT December corn futures. The harvest price used to settle CRC and RA soybean contracts are based on the October average closing prices of November Chicago Board of Trade CBOT November soybean futures. RA has no price limits but CRC has a \$1.50 limit below the planting price on corn and grain sorghum and a \$3.00 limit below the planting price on soybeans that was exceeded in 2008. For 2009 neither RA nor CRC will have a price limit on falling prices but both will have the same price cap of 2 times the planting price.

Will Price Decline Cause a SURE Payment in 2008?

Table 1. Breakeven Yields Necessary to Eliminate SURE Payments

SURE	Sbean	Corn	
			A 10% Corn Yield Loss (A 10% Loss on One Crop Required)
\$1,321.35	\$576.15	\$745.20	Unadjusted SURE Guarantee
\$1,378.80	\$601.20	\$777.60	90% of Expected Revenue Cap
\$1,321.35			SURE Guarantee (lesser of SURE or Cap)
	72.5	144.0	Farmer Bushels of Production in 2008
\$1,263.17			Revenue to count ¹
\$6.90			15% of Direct Payments
\$53.28	\$0.00	\$53.28	Gross RA Indemnity Payment
\$0.00			Sure Payment
			145.0% Sbean Yield > Expected Required
SURE	Sbean	Corn	
			A 10% Soybeans Yield Loss (A 10% Loss on One Crop Required)
	45.0	183.0	Farmer Bushels of Production in 2008
\$1,170.69			Revenue to count ¹
\$6.90			15% of Direct Payments
\$86.10	\$86.10	\$0.00	Gross Indemnity RA Payment
\$0.00			Sure Payment
			114.4% Corn Yield > Expected Required

¹Results assume the Marketing Year Average (MYA) price used to settle SURE claims is the same price used to settle revenue insurance contracts. This is very unlikely to be correct because revenue insurance settles claims based on futures prices while the MYA is the USDA national average cash price based on the marketing year that will end about a year after harvest.

Will Price Decline Cause a GRIP Payment in 2008?

Table 1. Breakeven Yields Necessary to Eliminate GRIP Payments

GRIP	
Bean	Corn
47.3	155.3 RMA Expected Clay County Indiana Corn Yield
\$13.36	\$5.40 GRIP Base Price (Feb average of Dec Corn)
1.5	1.5 Coverage increaser
\$947.89	\$1,257.93 GRIP Guarantee
47.3	155.3 RMA Expected Clay County Indiana Corn Yield
\$13.36	\$5.40 GRIP Base Price (Feb average of Dec Corn)
90%	90% Coverage selected by farmer
\$568.74	\$754.76 Trigger Revenue
55	183 Clay County Indiana 2008 NASS Corn Yield
\$10.36	\$4.13 GRIP Harvest Price ¹
\$569.80	\$755.79 Reported County Revenue
0.00%	0.00% Percent of coverage paid
	(Trigger Revenue - Actual Revenue)/Trigger Revenue
	117.84% Corn Yield > Expected Required)
	116.28% Sbean Yield > Expected Required)
\$0.00	\$0.00 Example GRIP payment

¹The harvest price used to settle GRIP corn and grain sorghum contracts are based on the October average closing prices of December Chicago Board of Trade (CBOT) December corn futures. The harvest price used to settle GRIP soybean contracts are based on the October average closing prices of November Chicago Board of Trade CBOT November soybean futures. GRIP has a \$1.50 limit below the planting price on corn and grain and a \$3.00 cup below the planting price on soybeans that was exceeded in 2008. For 2009 the price limit on falling prices has been eliminated but GRIP will have the same price cap of 2 times the planting price.

Clay County Indiana Planted County Yields

Year	Sbean Yield	Corn Yield	County	State
1988	35.6	89.5	Clay	Indiana
1989	41.5	138.3	Clay	Indiana
1990	44.1	127.9	Clay	Indiana
1991	39.1	106.5	Clay	Indiana
1992	44.1	145.7	Clay	Indiana
1993	18.6	133.0	Clay	Indiana
1994	48.9	143.8	Clay	Indiana
1995	45.6	121.7	Clay	Indiana
1996	44.4	105.8	Clay	Indiana
1997	45.8	109.2	Clay	Indiana
1998	49.9	103.1	Clay	Indiana
1999	48.1	146.7	Clay	Indiana
2000	48.9	152.9	Clay	Indiana
2001	43.0	156.3	Clay	Indiana
2002	41.0	132.8	Clay	Indiana
2003	34.0	150.5	Clay	Indiana
2004	47.0	172.7	Clay	Indiana
2005	49.8	161.1	Clay	Indiana
2006	49.2	150.5	Clay	Indiana
2007	49.8	171.1	Clay	Indiana
	46.0	161.2	5 Year Avg Yield	
	46.1	149.8	10 Year Avg Yield	

Indiana Insurance History

Year	Crop	Ins Plan	Loss Ratio	Year	Crop	Ins Plan	Loss Ratio
2007	CORN	APH	0.24	2002	CORN	APH	2.49
2007	CORN	CRC	0.31	2002	CORN	CRC	1.63
2007	CORN	GRIP	0.36	2002	CORN	GRIP	0.92
2007	CORN	GRP	0.18	2002	CORN	GRP	2.94
2007	CORN	RA	0.24	2002	CORN	RA	1.74
2006	CORN	APH	0.28	2001	CORN	APH	0.11
2006	CORN	CRC	0.25	2001	CORN	CRC	0.18
2006	CORN	GRIP	0.00	2001	CORN	GRIP	0.19
2006	CORN	GRP	0.00	2001	CORN	GRP	0.05
2006	CORN	RA	0.42	2001	CORN	RA	0.08
2005	CORN	APH	0.25	2000	CORN	APH	0.16
2005	CORN	CRC	0.23	2000	CORN	CRC	0.34
2005	CORN	GRIP	0.60	2000	CORN	GRIP	0.93
2005	CORN	GRP	0	2000	CORN	GRP	0.03
2005	CORN	RA	0.27	2000	CORN	RA	0.11
2004	CORN	APH	0.31	1999	CORN	APH	0.50
2004	CORN	CRC	0.39	1999	CORN	CRC	0.74
2004	CORN	GRIP	1.66	1999	CORN	GRIP	2.02
2004	CORN	GRP	0	1999	CORN	GRP	1.02
2004	CORN	RA	0.56				
2003	CORN	APH	1.08				
2003	CORN	CRC	0.68				
2003	CORN	GRIP	0.01				
2003	CORN	GRP	0.02				
2003	CORN	RA	0.83				

Indiana Insurance History

Year	Crop	Ins Plan	Loss Ratio	Year	Crop	Ins Plan	Loss Ratio
2007	SOYBEANS	APH	0.46	2002	SOYBEANS	APH	1.26
2007	SOYBEANS	CRC	0.52	2002	SOYBEANS	CRC	0.99
2007	SOYBEANS	GRIP	0.20	2002	SOYBEANS	GRIP	0.09
2007	SOYBEANS	GRP	0.39	2002	SOYBEANS	GRP	1.11
2007	SOYBEANS	RA	0.74	2002	SOYBEANS	RA	1.56
2006	SOYBEANS	APH	0.20	2001	SOYBEANS	APH	0.22
2006	SOYBEANS	CRC	0.19	2001	SOYBEANS	CRC	0.18
2006	SOYBEANS	GRIP	0.00	2001	SOYBEANS	GRIP	0.07
2006	SOYBEANS	GRP	0.00	2001	SOYBEANS	GRP	0.04
2006	SOYBEANS	RA	0.24	2001	SOYBEANS	RA	0.13
2005	SOYBEANS	APH	0.18	2000	SOYBEANS	APH	0.37
2005	SOYBEANS	CRC	0.16	2000	SOYBEANS	CRC	0.48
2005	SOYBEANS	GRIP	0.02	2000	SOYBEANS	GRIP	0.03
2005	SOYBEANS	GRP	0	2000	SOYBEANS	GRP	0.08
2005	SOYBEANS	RA	0.13	2000	SOYBEANS	RA	0.47
2004	SOYBEANS	APH	0.25	1999	SOYBEANS	APH	1.11
2004	SOYBEANS	CRC	0.33	1999	SOYBEANS	CRC	1.01
2004	SOYBEANS	GRIP	1.19	1999	SOYBEANS	GRIP	0.48
2004	SOYBEANS	GRP	0	1999	SOYBEANS	GRP	1.42
2004	SOYBEANS	RA	0.41				
2003	SOYBEANS	APH	1.39				
2003	SOYBEANS	CRC	1.45				
2003	SOYBEANS	GRIP	0.00				
2003	SOYBEANS	GRP	3.06				
2003	SOYBEANS	RA	1.39				

2009 Crop Insurance Changes

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Summary of farm bill crop insurance title

Administratively, USDA increased the price limits on CRC from current levels to 2 times base price, e.g. would have increased corn from a \$6.90 cap (\$5.40 + \$1.50) to \$10.80 and eliminated the downside price limit.

Administratively, USDA will apply this same price limit to RA for the first time. Limit also applies to GRIP.

Conduct a pilot that increases the subsidy rate on enterprise & whole farm units to match optional unit subsidy.

Increased subsidy rate on enterprise & whole farm units

Coverage Level	50	55	60	65	70	75	80	85
Current Subsidy Level	67%	64%	64%	59%	59%	55%	48%	38%
Increase Subsidy for:								
Enterprise Units*	80%	80%	80%	80%	80%	77%	68%	53%
Whole Farm Units*	n/a	n/a	n/a	80%	80%	80%	71%	56%

*New increased subsidy for Enterprise and Whole Farm units are only on insurance plans and in counties that RMA offers Enterprise and Whole Farm units.

SURE and Crop Insurance is a Joint Decision

Increasing coverage from 70% optional unit coverage to 80% enterprise unit coverage, will increase the subsidy rate from 59% to 68%, and increase the SURE coverage from 70% to 80% too.

Spot loss can be covered with private hail, (in some cases wind, fire, freeze or other perils) and the indemnity payments will **not** count against the SURE payments.

CRC and RA-HPO have different enterprise definitions.

Increasing the 80% enterprise unit subsidy rate from 48% to 68% makes it worth a look.

Summary of farm bill crop insurance title

Reduces the A&O by 2.3 points with a 50% "snapback" provision if a state's loss ratio exceeds 1.2.

Reduces CAT reimbursement rate from 8% to 6%

Raises statutory loss ratio to 1.0 from 1.075.

Raises CAT administrative fee to \$300 per crop per county.

Moves up the billing date to August 15 beginning in 2012.

Summary of farm bill crop insurance title

Delays the payment date for A&O expenses to October 1 in 2012.

Requires USDA to renegotiate the SRA by the beginning of 2011 reinsurance year and every five years after that.

Summary of farm bill crop insurance title

Increases focus on risk management education for socially disadvantaged and beginning farmers.

Expands data mining efforts.

Increases funding to RMA for its IT system.

Requires an expert review of the crop insurance price setting method for grain sorghum.

Estimated Weighted National Average Price and Projected % SURE Price loss (4/13/09)

Crop	Wheat	Corn	Grain Sorghum	Soy-beans	
Month	Month	Month			
Jun	7.62	Sep	5.02	4.60	10.70
Jul	7.16	Oct	4.37	3.96	9.94
Aug	7.64	Nov	4.26	3.68	9.38
Sep	7.43	Dec	4.05	2.87	8.97
Oct	6.67	Jan	4.36	3.27	9.97
Nov	6.28	Feb	3.87	2.83	9.55
Dec	5.91	Mar	3.96	3.10	9.13
Jan	5.90				
Feb	5.79				
Mar	5.84				
Prior Month USDA Est. NASS Price	6.80	4.10	3.70	9.35	
USDA Est. 2008/09 NASS Price	6.85	4.20	3.80	9.65	
KSU Est. 2008/09 NASS Price ²	\$6.78	\$4.22	\$3.39	\$9.66	
% of 08-09 NASS Price Settled ³	88%	63%	72%	70%	
SURE					
2008 RA & SURE Strike	8.60	5.40	5.06	13.36	
2008 RA Harvest Price	8.60	3.74	3.87	9.22	
2008 NASS SURE Claim Price	6.78	4.22	3.39	9.66	
\$ Price Loss in SURE Claim	\$1.82	\$1.18	\$1.67	\$3.70	
% Price Loss in SURE Claim	21%	22%	33%	28%	

Enterprise Unit vs. Optional Units

- Optional units insure a crop by “field” so an insurance claim on one field will not be affected by the yields on other fields. Enterprise unit combines all of a farmer’s crop acres together for a single crop. This lowers the risk of paying a claim, but this can be offset by buying a higher coverage level.
- For example, Change from 65% optional units to an 80% enterprise unit will do the following:

Enterprise Unit vs. Optional Units

1. Increases the subsidy from 59% to 68%. The author would suggest farmers spend the same premium amount they would have paid for option units on an enterprise unit which has the effect of increasing the coverage by 10-15%.
2. Premium is discounted for changing from optional to enterprise unit.
3. Increases the total dollars of revenue coverage on the farm.
4. Increases the “free” SURE coverage by increasing the coverage under an enterprise unit.

Enterprise Unit vs. Optional Units

- 5. CRC and RA-HPO have a different definition of the enterprise unit. The CRC enterprise discount is based on acres planted while RA-HPO's discount is based on the number of sections the crop is planted. Therefore, there are often very different premiums for enterprise units under CRC versus RA-HPO. For some farmers the premium savings may be 30% or more but there is no difference in the guarantee on soybeans and only a slight difference on corn. The author would suggest select the contract with the lowest premium costs.
- 6. The enterprise unit is by crop, so wheat, irrigated corn and dryland corn farmer may want to keep their option units on their corn but take the enterprise unit on wheat. Those farmers could also plant the dryland acres to grain sorghum and then select enterprise units on all three crops.

Enterprise Unit vs. Optional Units

- 7. Should farmers select APH over RA/CRC on their soybeans because of the RMA set inverted price election of \$9.90 for APH versus about \$8.95 for revenue insurance? The higher price election would have the effect of increasing the SURE coverage, but in most states there is no enterprise unit for APH. Therefore, farmers may want to stick with their revenue coverage and take advantage of the increased enterprise subsidy.

SUMMARY

■ ACRE

- Participation in either or both programs
- Start Date 2009
- Signup, before June 1 (annually)
- After signup, in ACRE for the duration of Farm Bill
- Cost 20% Direct & 30% loan reduction, no CC
- Farm Serial #

■ SURE

- Participation in either or both programs
- Start Date 2008
- Signup, None; May have to "certify" all acres insured
- Annual
- Insure all crops or pay NAP fees
- Whole farm, all crops

Thank You

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Average Crop Revenue Election (ACRE)

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Average Crop Revenue (ACR)

ACR is "GRIP" (put option) on Expected State Revenue.

Revenue is price times yield, so how is price and yield measured?

The price election (strike, approved) is based on a 2 year average MYA price.

ACRE uses a moving 5 year Olympic average State yield.

ACRE Revenue Guarantee is approved State yield X approved (strike) price X 90%.

Average Crop Revenue (ACR)

ACRE Pymt = ACRE Guarantee – [Actual State Yield X Max (MYA price, 70% X Loan)], s.t. Farm level revenue is less than farm level benchmark + crop insurance premiums

There is 10% cups & caps on \$ Coverage after the first year, no limit on the first year.

Maximum payment is limited to 25% of ACRE guarantee.

ACRE payment limit is \$65,000 plus the reduction in direct payments (Effective limit is \$73,000).

Average Crop Revenue (ACR)

Must sign up all crops in ACRE by farm serial number. Both tenant and landlord must agree.

Accept a 20% reduction in direct payments

Accept a 30% reduction in loan rates.

A \$105,000 ACRE payment limit has been published but how is that possible?

This is the combined limit for ACRE and Direct payments (\$65,000 + \$40,000)

ACRE reduces Direct payments & payment limits by 20% (\$8,000)

The \$8,000 reduction in Direct payment limit is transferred to ACRE so the effective payment limit is \$73,000 (\$65,000 plus \$8,000)

Assume a Farmer is over the \$40,000 Direct payment limit.

Because farmers are locked in to ACRE once they signup, they should compare the expected payments over the remaining life of the Farm bill and adjust the ACRE payments for time value when comparing those payments to the reduction in Direct payments.

If a farmer plants 50 acres of corn and 50 acres but only has 50 acres of base, then it is best not to designate the crop. FSA in this example will pick the crop with the highest ACRE payment.

Average Crop Revenue (ACR)

Farm Revenue must be below Farm Benchmark revenue.

A moving 5 year Olympic average farm level yield times ACRE strike price + crop insurance premiums.

Farm revenue to count is the actual yield times the current year MYA price.

If farm revenue is below Benchmark then farm is eligible for an ACRE payment based on State revenue.

Table 1. Corn ACRE Program, Non-Irrigated S. Dakota

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Benchmark Revenue * 90%	10% Cup/Cap on Benchmark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1990	66.2	61.6	2.28	137.79	137.79	150.84	0.00	0.00	0.00%
1991	61.2	59.8	2.37	128.61	128.61	144.95	0.00	0.00	0.00%
1992	71.5	59.8	2.07	125.08	125.08	147.96	0.00	0.00	0.00%
1993	45.8	59.8	2.50	119.43	119.43	114.61	4.82	4.02	3.36%
1994	93.4	66.3	2.26	122.93	122.93	211.02	0.00	0.00	0.00%
1995	66.7	66.5	3.24	141.94	135.22	216.25	0.00	0.00	0.00%
1996	89.3	75.9	2.71	164.49	148.74	242.09	0.00	0.00	0.00%
1997	84.0	80.0	2.43	203.09	163.62	204.24	0.00	0.00	0.00%
1998	108.8	88.9	1.94	185.14	179.98	211.14	0.00	0.00	0.00%
1999	100.4	91.2	1.82	174.86	174.86	182.66	0.00	0.00	0.00%
2000	97.3	95.7	1.85	154.39	157.37	179.95	0.00	0.00	0.00%
2001	95.7	97.8	1.97	157.97	157.97	188.56	0.00	0.00	0.00%
2002	67.3	97.8	2.32	168.09	168.09	156.11	11.97	9.98	5.93%
2003	94.7	95.9	2.42	188.77	184.90	229.11	0.00	0.00	0.00%
2004	114.4	95.9	2.06	204.53	203.39	235.63	0.00	0.00	0.00%
2005	103.5	98.0	2.00	193.31	193.31	206.94	0.00	0.00	0.00%
2006	65.8	88.5	3.04	178.96	178.96	199.91	0.00	0.00	0.00%
2007	106.6	101.6	4.00	200.67	196.86	426.25	0.00	0.00	0.00%
Average Payment								0.78	0.52%

Table 1. Corn ACRE Program, Irrigated S. Dakota

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Benchmark Revenue * 90%	10% Cup/Cap on Benchmark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1990	109.3	113.5	2.28	251.95	249.05	249.17	0.00	0.00	0.00%
1991	115.6	113.6	2.37	237.06	237.06	273.86	0.00	0.00	0.00%
1992	98.7	111.5	2.07	237.73	237.73	204.37	33.35	27.78	11.69%
1993	86.3	107.9	2.50	222.80	222.80	215.66	7.15	5.95	2.67%
1994	129.2	107.9	2.26	221.81	221.81	292.06	0.00	0.00	0.00%
1995	108.4	107.6	3.24	231.03	231.03	351.26	0.00	0.00	0.00%
1996	129.7	112.1	2.71	266.22	254.13	351.44	0.00	0.00	0.00%
1997	123.0	120.2	2.43	300.21	279.54	298.95	0.00	0.00	0.00%
1998	140.6	127.3	1.94	278.08	278.08	272.81	5.26	4.38	1.58%
1999	140.0	130.9	1.82	250.36	250.36	254.80	0.00	0.00	0.00%
2000	142.6	136.8	1.85	221.49	225.33	263.74	0.00	0.00	0.00%
2001	146.7	141.1	1.97	225.88	225.88	289.08	0.00	0.00	0.00%
2002	127.4	141.1	2.32	242.49	242.49	295.46	0.00	0.00	0.00%
2003	160.4	143.1	2.42	272.32	266.73	388.19	0.00	0.00	0.00%
2004	158.2	149.2	2.06	305.23	293.41	325.91	0.00	0.00	0.00%
2005	160.0	155.0	2.00	300.73	300.73	320.00	0.00	0.00	0.00%
2006	159.1	159.1	3.04	283.15	283.15	483.64	0.00	0.00	0.00%
2007	160.9	159.8	4.00	360.84	311.47	643.72	0.00	0.00	0.00%
Average Payment								2.12	0.89%

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77 

Table 1. Corn ACRE Program, Irrigated Nebraska

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Benchmark Revenue * 90%	10% Cup/Cap on Benchmark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1980	97.8	114.3	3.11	245.36	230.36	304.28	0.00	0.00	0.00%
1981	125.0	119.5	2.50	289.60	253.39	312.41	0.00	0.00	0.00%
1982	119.2	121.7	2.55	301.61	278.73	303.84	0.00	0.00	0.00%
1983	112.4	118.5	3.21	276.64	276.64	360.71	0.00	0.00	0.00%
1984	129.8	118.8	2.63	307.17	304.31	341.39	0.00	0.00	0.00%
1985	137.1	124.6	2.23	312.28	312.28	305.77	6.51	5.43	1.74%
1986	136.1	128.4	1.50	272.59	281.05	204.16	70.26	58.53	20.83%
1987	143.4	134.3	1.94	215.44	252.95	278.14	0.00	0.00	0.00%
1988	141.4	138.2	2.54	207.96	227.65	359.24	0.00	0.00	0.00%
1989	138.0	138.9	2.36	278.65	250.42	325.78	0.00	0.00	0.00%
1990	140.9	140.1	2.28	306.19	275.46	321.36	0.00	0.00	0.00%
1991	146.1	141.9	2.37	292.61	292.61	346.23	0.00	0.00	0.00%
1992	139.3	140.6	2.07	296.96	296.96	288.42	8.54	7.11	2.40%
1993	107.3	139.4	2.50	280.86	280.86	268.30	12.56	10.47	3.73%
1994	147.2	142.1	2.26	286.76	286.76	332.62	0.00	0.00	0.00%
1995	126.2	137.2	3.24	304.43	304.43	408.89	0.00	0.00	0.00%
1996	152.8	137.6	2.71	339.59	334.87	414.13	0.00	0.00	0.00%
1997	147.3	140.2	2.43	368.34	368.34	357.88	10.47	8.72	2.37%
1998	157.2	149.1	1.94	324.32	331.51	304.99	26.52	22.09	6.66%
1999	154.5	151.5	1.82	293.18	298.36	281.23	17.13	14.27	4.78%
2000	149.0	152.1	1.85	256.40	268.52	275.66	0.00	0.00	0.00%
2001	166.4	153.6	1.97	251.22	251.22	327.88	0.00	0.00	0.00%
2002	159.5	157.1	2.32	264.00	264.00	370.10	0.00	0.00	0.00%
2003	180.9	160.2	2.42	303.26	290.40	437.76	0.00	0.00	0.00%
2004	181.1	169.0	2.06	341.63	319.44	373.01	0.00	0.00	0.00%
2005	180.5	175.9	2.00	340.61	340.61	361.01	0.00	0.00	0.00%
2006	179.1	180.2	3.04	321.45	321.45	544.55	0.00	0.00	0.00%
2007	177.5	180.2	4.00	408.64	353.60	710.09	0.00	0.00	0.00%
Average Payment								4.22	1.42%

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78 

Table 3. Soybean ACRE Program, Irrigated Nebraska

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench-mark Revenue * 90%	10% Cup/Cap on Bench-mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1980	39.0	39.3	7.60	219.50	219.50	296.40	0.00	0.00	0.00%
1981	45.0	39.7	6.07	245.85	241.45	273.15	0.00	0.00	0.00%
1982	41.0	40.0	5.71	244.01	244.01	234.11	9.90	8.25	3.38%
1983	38.0	40.0	7.83	212.04	219.61	297.54	0.00	0.00	0.00%
1984	36.0	39.3	5.84	243.72	241.57	210.24	31.33	26.10	10.80%
1985	40.0	39.7	5.05	241.96	241.96	202.00	39.96	33.29	13.76%
1986	44.0	39.7	4.78	194.39	217.76	210.32	7.44	6.20	2.85%
1987	43.0	40.3	5.88	175.47	195.99	252.84	0.00	0.00	0.00%
1988	43.0	42.0	7.42	193.48	193.48	319.06	0.00	0.00	0.00%
1989	44.0	43.3	5.69	251.37	212.83	250.36	0.00	0.00	0.00%
1990	43.0	43.3	5.74	255.65	234.11	246.82	0.00	0.00	0.00%
1991	45.0	43.3	5.58	222.89	222.89	251.10	0.00	0.00	0.00%
1992	45.0	44.0	5.56	220.74	220.74	250.20	0.00	0.00	0.00%
1993	40.5	44.0	6.40	220.57	220.57	259.20	0.00	0.00	0.00%
1994	52.2	44.3	5.48	236.81	236.81	286.24	0.00	0.00	0.00%
1995	41.1	43.7	6.72	237.01	237.01	276.28	0.00	0.00	0.00%
1996	49.5	45.2	7.35	239.94	239.94	363.84	0.00	0.00	0.00%
1997	49.1	46.6	6.47	286.22	263.93	317.45	0.00	0.00	0.00%
1998	50.2	49.6	4.93	289.56	289.56	247.51	42.05	35.03	12.10%
1999	50.4	49.6	4.63	254.40	260.60	233.18	27.42	22.84	8.77%
2000	48.9	49.6	4.54	213.34	234.54	221.83	12.71	10.59	4.51%
2001	52.5	49.9	4.38	204.64	211.09	230.05	0.00	0.00	0.00%
2002	50.5	50.4	5.53	200.21	200.21	279.47	0.00	0.00	0.00%
2003	53.4	51.1	7.34	224.62	220.23	392.03	0.00	0.00	0.00%
2004	53.3	52.1	5.74	296.18	242.25	305.87	0.00	0.00	0.00%
2005	58.7	53.1	5.66	306.75	266.48	332.47	0.00	0.00	0.00%
2006	58.2	55.0	6.43	272.27	272.27	374.37	0.00	0.00	0.00%
2007	54.9	55.5	10.40	299.08	299.08	570.64	0.00	0.00	0.00%
Average Payment								4.74	1.87%

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Table 3. Soybean ACRE Program, Non-Irrigated Nebraska

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench-mark Revenue * 90%	10% Cup/Cap on Bench-mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1980	26.9	30.8	7.60	177.70	169.64	204.75	0.00	0.00	0.00%
1981	34.8	33.4	6.07	192.64	186.60	211.29	0.00	0.00	0.00%
1982	32.7	32.7	5.71	205.72	205.26	186.88	18.38	15.31	7.46%
1983	24.8	30.8	7.83	173.60	184.74	194.18	0.00	0.00	0.00%
1984	21.7	28.2	5.84	187.62	187.62	126.64	46.91	39.07	20.83%
1985	33.7	30.4	5.05	173.20	173.20	170.32	2.88	2.40	1.38%
1986	35.2	30.4	4.78	149.06	155.88	168.36	0.00	0.00	0.00%
1987	32.1	30.2	5.88	134.56	140.29	189.02	0.00	0.00	0.00%
1988	24.8	30.2	7.42	144.99	144.99	183.85	0.00	0.00	0.00%
1989	26.4	30.8	5.69	180.85	159.48	150.25	9.24	7.70	4.83%
1990	30.3	29.6	5.74	181.47	175.43	173.92	1.51	1.26	0.72%
1991	28.0	28.2	5.58	152.34	157.89	156.40	1.49	1.24	0.79%
1992	39.9	28.2	5.56	143.88	143.88	221.84	0.00	0.00	0.00%
1993	32.3	30.2	6.40	141.59	141.59	206.55	0.00	0.00	0.00%
1994	44.0	34.2	5.48	162.54	155.75	241.08	0.00	0.00	0.00%
1995	28.7	33.6	6.72	182.61	171.33	192.96	0.00	0.00	0.00%
1996	42.3	38.1	7.35	184.63	184.63	310.65	0.00	0.00	0.00%
1997	36.1	36.9	6.47	241.52	203.09	233.42	0.00	0.00	0.00%
1998	40.5	39.6	4.93	229.31	223.40	199.55	23.85	19.86	8.89%
1999	37.1	37.9	4.63	203.18	203.18	171.56	31.62	26.34	12.96%
2000	29.2	37.9	4.54	162.91	182.86	132.44	45.72	38.08	20.83%
2001	39.0	37.4	4.38	156.27	164.58	170.63	0.00	0.00	0.00%
2002	27.3	35.1	5.53	149.97	149.97	151.04	0.00	0.00	0.00%
2003	30.0	32.1	7.34	156.35	156.35	220.48	0.00	0.00	0.00%
2004	39.0	32.7	5.74	185.84	171.99	223.88	0.00	0.00	0.00%
2005	42.6	36.0	5.66	192.60	189.19	240.94	0.00	0.00	0.00%
2006	41.7	36.9	6.43	184.68	184.68	268.37	0.00	0.00	0.00%
2007	46.9	41.1	10.40	200.90	200.90	487.63	0.00	0.00	0.00%
Average Payment								5.04	2.62%

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Table 1. Corn ACRE Program, Iowa

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench- mark Revenue * 90%	10% Cup/Cap on Bench- mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Cover- age Paid
1980	104.5	99.1	3.11	197.86	174.04	325.00	0.00	0.00	0.00%
1981	120.2	111.1	2.50	251.08	191.45	300.56	0.00	0.00	0.00%
1982	114.8	114.5	2.55	280.54	210.59	292.65	0.00	0.00	0.00%
1983	81.7	113.2	3.21	260.31	231.65	262.39	0.00	0.00	0.00%
1984	107.8	109.0	2.63	293.32	254.81	283.57	0.00	0.00	0.00%
1985	122.8	114.3	2.23	286.53	280.30	273.90	6.39	5.32	1.90%
1986	132.3	115.1	1.50	249.91	252.27	198.38	53.88	44.88	17.79%
1987	126.9	119.2	1.94	193.26	227.04	246.14	0.00	0.00	0.00%
1988	79.5	119.2	2.54	184.48	204.34	202.03	2.30	1.92	0.94%
1989	114.7	121.5	2.36	240.26	224.77	270.74	0.00	0.00	0.00%
1990	122.1	121.2	2.28	267.85	247.25	278.30	0.00	0.00	0.00%
1991	114.2	117.0	2.37	253.11	253.11	270.64	0.00	0.00	0.00%
1992	144.2	117.0	2.07	244.81	244.81	298.53	0.00	0.00	0.00%
1993	73.3	117.0	2.50	233.75	233.75	183.33	50.42	42.00	17.97%
1994	148.5	126.8	2.26	240.59	240.59	335.53	0.00	0.00	0.00%
1995	119.9	126.1	3.24	271.66	264.65	388.47	0.00	0.00	0.00%
1996	134.7	133.0	2.71	312.10	291.12	365.15	0.00	0.00	0.00%
1997	134.6	129.7	2.43	355.98	320.23	327.09	0.00	0.00	0.00%
1998	141.5	137.0	1.94	300.11	300.11	274.55	25.56	21.29	7.09%
1999	145.3	137.0	1.82	269.32	270.10	264.46	5.64	4.70	1.74%
2000	140.5	138.9	1.85	231.73	243.09	259.90	0.00	0.00	0.00%
2001	142.3	141.4	1.97	229.42	229.42	280.25	0.00	0.00	0.00%
2002	158.3	143.0	2.32	243.10	243.10	367.31	0.00	0.00	0.00%
2003	151.9	146.5	2.42	276.11	267.41	367.58	0.00	0.00	0.00%
2004	176.7	150.8	2.06	312.45	294.16	364.05	0.00	0.00	0.00%
2005	168.9	159.7	2.00	304.06	304.06	337.89	0.00	0.00	0.00%
2006	162.7	163.3	3.04	291.81	291.81	494.63	0.00	0.00	0.00%
2007	166.8	166.1	4.00	370.42	320.99	667.14	0.00	0.00	0.00%
Average Payment								4.00	1.58%

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Table 1. Corn ACRE Program, Indiana

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench- mark Revenue * 90%	10% Cup/Cap on Bench- mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Cover- age Paid
1980	93.5	103.4	3.11	221.96	209.89	290.69	0.00	0.00	0.00%
1981	103.7	102.4	2.50	261.97	230.88	259.20	0.00	0.00	0.00%
1982	122.5	105.5	2.55	258.57	253.97	312.33	0.00	0.00	0.00%
1983	69.6	101.7	3.21	239.64	239.64	223.33	16.31	13.59	5.67%
1984	113.8	103.6	2.63	263.70	263.61	299.27	0.00	0.00	0.00%
1985	120.1	112.5	2.23	272.38	272.38	267.76	4.63	3.85	1.41%
1986	118.9	117.6	1.50	246.07	246.07	178.31	61.52	51.24	20.83%
1987	131.8	117.6	1.94	197.36	221.46	255.61	0.00	0.00	0.00%
1988	79.8	117.6	2.54	182.01	199.32	202.71	0.00	0.00	0.00%
1989	129.3	122.7	2.36	237.04	219.25	305.08	0.00	0.00	0.00%
1990	125.5	124.6	2.28	270.64	241.17	286.24	0.00	0.00	0.00%
1991	89.6	114.8	2.37	260.09	260.09	212.30	47.78	39.80	15.30%
1992	143.9	114.8	2.07	240.22	240.22	297.81	0.00	0.00	0.00%
1993	128.4	127.7	2.50	229.37	229.37	321.08	0.00	0.00	0.00%
1994	140.7	131.6	2.26	262.72	252.30	317.97	0.00	0.00	0.00%
1995	110.9	126.7	3.24	281.80	277.53	359.34	0.00	0.00	0.00%
1996	119.7	129.6	2.71	313.53	305.29	324.40	0.00	0.00	0.00%
1997	118.9	122.3	2.43	347.03	335.82	288.92	46.89	39.06	11.63%
1998	131.1	123.2	1.94	282.98	302.23	254.32	47.91	39.91	13.20%
1999	129.0	122.5	1.82	242.34	272.01	234.86	37.16	30.95	11.38%
2000	142.2	126.6	1.85	207.35	244.81	262.99	0.00	0.00	0.00%
2001	152.5	134.1	1.97	209.10	220.33	300.43	0.00	0.00	0.00%
2002	117.0	134.1	2.32	230.51	230.51	271.36	0.00	0.00	0.00%
2003	140.5	137.2	2.42	258.88	253.57	340.07	0.00	0.00	0.00%
2004	163.0	145.1	2.06	292.74	278.92	335.76	0.00	0.00	0.00%
2005	150.6	147.9	2.00	292.45	292.45	301.21	0.00	0.00	0.00%
2006	153.6	148.2	3.04	270.17	270.17	466.87	0.00	0.00	0.00%
2007	151.9	152.0	4.00	336.20	297.19	607.60	0.00	0.00	0.00%
Average Payment								7.28	2.65%

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Table 1. Corn ACRE Program, Illinois

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench-mark Revenue * 90%	10% Cup/Cap on Bench-mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1980	90.9	105.0	3.11	232.87	221.96	282.80	0.00	0.00	0.00%
1981	123.0	111.3	2.50	266.05	244.16	307.40	0.00	0.00	0.00%
1982	128.1	118.5	2.55	280.88	268.58	326.63	0.00	0.00	0.00%
1983	76.1	112.7	3.21	269.24	269.24	244.31	24.93	20.77	7.71%
1984	111.4	108.4	2.63	292.10	292.10	292.86	0.00	0.00	0.00%
1985	132.3	120.8	2.23	284.92	284.92	295.08	0.00	0.00	0.00%
1986	132.5	123.9	1.50	264.19	264.19	198.68	65.51	54.57	20.66%
1987	129.9	124.5	1.94	208.00	237.77	251.97	0.00	0.00	0.00%
1988	70.8	124.5	2.54	192.76	213.99	179.80	34.19	28.48	13.31%
1989	121.3	127.8	2.36	251.03	235.39	286.29	0.00	0.00	0.00%
1990	124.6	125.3	2.28	281.88	258.93	284.10	0.00	0.00	0.00%
1991	105.1	117.0	2.37	261.55	261.55	249.06	12.49	10.40	3.98%
1992	147.0	117.0	2.07	244.82	244.82	304.30	0.00	0.00	0.00%
1993	123.8	123.2	2.50	233.77	233.77	309.52	0.00	0.00	0.00%
1994	154.0	131.8	2.26	253.44	253.44	348.00	0.00	0.00	0.00%
1995	110.8	127.2	3.24	282.33	278.79	358.94	0.00	0.00	0.00%
1996	133.5	134.8	2.71	314.82	306.67	361.86	0.00	0.00	0.00%
1997	127.3	128.2	2.43	360.87	337.33	309.27	28.06	23.38	6.93%
1998	139.0	133.3	1.94	296.53	303.60	269.67	33.93	28.26	9.31%
1999	138.1	133.0	1.82	262.07	273.24	251.26	21.98	18.31	6.70%
2000	149.0	136.9	1.85	224.95	245.92	275.61	0.00	0.00	0.00%
2001	149.9	142.0	1.97	226.03	226.03	295.36	0.00	0.00	0.00%
2002	132.6	142.0	2.32	244.12	244.12	307.56	0.00	0.00	0.00%
2003	161.8	145.7	2.42	274.16	268.53	391.56	0.00	0.00	0.00%
2004	177.7	153.6	2.06	310.68	295.38	366.07	0.00	0.00	0.00%
2005	141.2	151.0	2.00	309.60	309.60	282.45	27.14	22.61	7.30%
2006	160.8	154.6	3.04	275.85	278.64	488.94	0.00	0.00	0.00%
2007	173.0	165.2	4.00	350.68	306.50	692.05	0.00	0.00	0.00%
Average Payment								6.89	2.53%

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83 

Table 1. Corn ACRE Program, Ohio

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench-mark Revenue * 90%	10% Cup/Cap on Bench-mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1980	106.2	100.5	3.11	208.48	193.71	330.26	0.00	0.00	0.00%
1981	87.8	100.5	2.50	254.70	213.09	219.51	0.00	0.00	0.00%
1982	106.5	103.6	2.55	253.80	234.39	271.68	0.00	0.00	0.00%
1983	72.7	100.2	3.21	235.34	235.34	233.45	1.89	1.57	0.67%
1984	110.9	100.2	2.63	259.67	258.87	291.64	0.00	0.00	0.00%
1985	120.4	101.7	2.23	263.27	263.27	268.55	0.00	0.00	0.00%
1986	122.1	112.6	1.50	222.52	236.95	183.14	53.81	44.82	18.92%
1987	112.7	114.7	1.94	189.03	213.25	218.69	0.00	0.00	0.00%
1988	77.3	114.7	2.54	177.53	191.93	196.27	0.00	0.00	0.00%
1989	107.3	113.5	2.36	231.20	211.12	253.18	0.00	0.00	0.00%
1990	112.8	110.9	2.28	250.22	232.23	257.24	0.00	0.00	0.00%
1991	88.2	102.7	2.37	231.65	231.65	209.07	22.58	18.81	8.12%
1992	133.6	102.8	2.07	214.99	214.99	276.54	0.00	0.00	0.00%
1993	103.1	107.7	2.50	205.34	205.34	257.71	0.00	0.00	0.00%
1994	131.5	115.8	2.26	221.55	221.55	297.16	0.00	0.00	0.00%
1995	113.7	116.1	3.24	248.04	243.70	368.28	0.00	0.00	0.00%
1996	103.6	116.3	2.71	287.30	268.07	280.76	0.00	0.00	0.00%
1997	125.2	114.2	2.43	311.26	294.88	304.20	0.00	0.00	0.00%
1998	132.7	123.4	1.94	264.03	265.39	257.36	8.03	6.69	2.52%
1999	116.9	118.6	1.82	242.76	242.76	212.70	30.05	25.03	10.31%
2000	136.6	124.9	1.85	200.63	218.48	252.80	0.00	0.00	0.00%
2001	128.7	128.8	1.97	206.28	206.28	253.47	0.00	0.00	0.00%
2002	81.3	126.1	2.32	221.47	221.47	188.69	32.78	27.30	12.33%
2003	145.1	127.4	2.42	243.37	243.37	351.21	0.00	0.00	0.00%
2004	146.7	136.8	2.06	271.73	267.70	302.16	0.00	0.00	0.00%
2005	134.7	136.2	2.00	275.82	275.82	269.42	6.40	5.33	1.93%
2006	149.4	142.2	3.04	248.78	248.78	454.20	0.00	0.00	0.00%
2007	140.6	144.2	4.00	322.45	273.66	562.60	0.00	0.00	0.00%
Average Payment								4.32	1.83%

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84 

Table 1. Corn ACRE Program, Non-Irrigated Texas

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench-mark * 90% Revenue	10% Cup/Cap on Bench-mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1987	73.9	69.7	1.94	112.01	131.35	143.35	0.00	0.00	0.00%
1988	56.1	67.5	2.54	107.95	118.22	142.58	0.00	0.00	0.00%
1989	52.2	67.5	2.36	136.01	130.04	123.28	6.77	5.64	4.33%
1990	33.3	60.8	2.28	148.76	143.05	75.91	35.76	29.79	20.83%
1991	63.5	57.3	2.37	126.85	128.74	150.47	0.00	0.00	0.00%
1992	69.3	57.3	2.07	119.87	119.87	143.46	0.00	0.00	0.00%
1993	69.5	61.7	2.50	114.46	114.46	173.76	0.00	0.00	0.00%
1994	78.4	67.4	2.26	126.84	125.90	177.17	0.00	0.00	0.00%
1995	71.7	70.2	3.24	144.44	138.49	232.47	0.00	0.00	0.00%
1996	31.8	70.2	2.71	173.71	152.34	86.30	38.09	31.72	20.83%
1997	79.1	73.2	2.43	187.92	167.57	192.26	0.00	0.00	0.00%
1998	23.0	60.7	1.94	169.35	169.35	44.52	42.34	35.27	20.83%
1999	77.8	60.5	1.82	119.29	152.41	141.56	10.86	9.04	5.93%
2000	77.5	62.4	1.85	102.29	137.17	143.35	0.00	0.00	0.00%
2001	70.0	75.1	1.97	103.00	123.45	137.95	0.00	0.00	0.00%
2002	57.2	68.2	2.32	129.09	129.09	132.66	0.00	0.00	0.00%
2003	66.8	71.4	2.42	131.72	131.72	161.73	0.00	0.00	0.00%
2004	87.0	71.4	2.06	152.40	144.89	179.26	0.00	0.00	0.00%
2005	64.8	67.2	2.00	144.04	144.04	129.62	14.42	12.01	8.34%
2006	57.2	63.0	3.04	122.81	129.63	173.98	0.00	0.00	0.00%
2007	93.4	72.9	4.00	142.79	142.60	373.73	0.00	0.00	0.00%
Average Payment								5.88	3.86%

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Table 1. Corn ACRE Program, Irrigated Texas

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench-mark * 90% Revenue	10% Cup/Cap on Bench-mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1987	139.4	134.4	1.94	216.85	252.65	270.52	0.00	0.00	0.00%
1988	125.8	134.4	2.54	208.06	227.38	319.45	0.00	0.00	0.00%
1989	130.0	134.2	2.36	270.97	250.12	306.80	0.00	0.00	0.00%
1990	127.8	132.4	2.28	295.81	275.14	291.27	0.00	0.00	0.00%
1991	131.4	129.7	2.37	276.45	276.45	311.49	0.00	0.00	0.00%
1992	163.7	129.7	2.07	271.45	271.45	338.95	0.00	0.00	0.00%
1993	144.0	135.1	2.50	259.19	259.19	359.97	0.00	0.00	0.00%
1994	143.3	139.6	2.26	277.91	277.91	323.93	0.00	0.00	0.00%
1995	138.7	142.0	3.24	298.99	298.99	449.32	0.00	0.00	0.00%
1996	154.6	147.3	2.71	351.45	328.89	419.01	0.00	0.00	0.00%
1997	155.5	147.3	2.43	394.43	361.78	377.88	0.00	0.00	0.00%
1998	133.1	145.5	1.94	340.74	340.74	258.12	82.62	68.82	20.20%
1999	154.7	149.3	1.82	286.21	306.66	281.50	25.16	20.96	6.83%
2000	151.0	153.4	1.85	252.65	276.00	279.40	0.00	0.00	0.00%
2001	144.1	149.9	1.97	253.40	253.40	283.79	0.00	0.00	0.00%
2002	160.9	149.9	2.32	257.71	257.71	373.28	0.00	0.00	0.00%
2003	160.6	155.4	2.42	289.41	283.48	388.68	0.00	0.00	0.00%
2004	172.4	157.5	2.06	331.55	311.82	355.13	0.00	0.00	0.00%
2005	157.7	159.7	2.00	317.54	317.54	315.43	2.12	1.76	0.55%
2006	155.0	159.7	3.04	291.85	291.85	471.32	0.00	0.00	0.00%
2007	182.4	163.6	4.00	362.29	321.03	729.65	0.00	0.00	0.00%
Average Payment								4.36	1.31%

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Table 1. Corn ACRE Program, Illinois

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench-mark Revenue * 90%	10% Cup/Cap Revenue on Bench-mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1980	90.9	105.0	3.11	232.87	221.96	282.80	0.00	0.00	0.00%
1981	123.0	111.3	2.50	266.05	244.16	307.40	0.00	0.00	0.00%
1982	128.1	118.5	2.55	280.88	268.58	326.63	0.00	0.00	0.00%
1983	76.1	112.7	3.21	269.24	269.24	244.31	24.93	20.77	7.71%
1984	111.4	108.4	2.63	292.10	292.10	292.86	0.00	0.00	0.00%
1985	132.3	120.8	2.23	284.92	284.92	295.08	0.00	0.00	0.00%
1986	132.5	123.9	1.50	264.19	264.19	198.68	65.51	54.57	20.66%
1987	129.9	124.5	1.94	208.00	237.77	251.97	0.00	0.00	0.00%
1988	70.8	124.5	2.54	192.76	213.99	179.80	34.19	28.48	13.31%
1989	121.3	127.8	2.36	251.03	235.39	286.29	0.00	0.00	0.00%
1990	124.6	125.3	2.28	281.88	258.93	284.10	0.00	0.00	0.00%
1991	105.1	117.0	2.37	261.55	261.55	249.06	12.49	10.40	3.98%
1992	147.0	117.0	2.07	244.82	244.82	304.30	0.00	0.00	0.00%
1993	123.8	123.2	2.50	233.77	233.77	309.52	0.00	0.00	0.00%
1994	154.0	131.8	2.26	253.44	253.44	348.00	0.00	0.00	0.00%
1995	110.8	127.2	3.24	282.33	278.79	358.94	0.00	0.00	0.00%
1996	133.5	134.8	2.71	314.82	306.67	361.86	0.00	0.00	0.00%
1997	127.3	128.2	2.43	360.87	337.33	309.27	28.06	23.38	6.93%
1998	139.0	133.3	1.94	296.53	303.60	269.67	33.93	28.26	9.31%
1999	138.1	133.0	1.82	262.07	273.24	251.26	21.98	18.31	6.70%
2000	149.0	136.9	1.85	224.95	245.92	275.61	0.00	0.00	0.00%
2001	149.9	142.0	1.97	226.03	226.03	295.36	0.00	0.00	0.00%
2002	132.6	142.0	2.32	244.12	244.12	307.56	0.00	0.00	0.00%
2003	161.8	145.7	2.42	274.16	268.53	391.56	0.00	0.00	0.00%
2004	177.7	153.6	2.06	310.68	295.38	366.07	0.00	0.00	0.00%
2005	141.2	151.0	2.00	309.60	309.60	282.45	27.14	22.61	7.30%
2006	160.8	154.6	3.04	275.85	278.64	488.94	0.00	0.00	0.00%
2007	173.0	165.2	4.00	350.68	306.50	692.05	0.00	0.00	0.00%
Average Payment								6.89	2.53%

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Table 1. Corn ACRE Program, Non-Irrigated Kansas

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench-mark Revenue * 90%	10% Cup/Cap Revenue on Bench-mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Planted Ac. ^{4,5}	% of Coverage Paid
1980	16.5	47.1	3.11	101.10	88.78	51.37	22.19	18.49	20.83%
1981	79.0	57.4	2.50	119.33	97.66	197.62	0.00	0.00	0.00%
1982	66.1	62.9	2.55	144.84	107.42	168.50	0.00	0.00	0.00%
1983	25.0	54.3	3.21	142.92	118.16	80.36	29.54	24.61	20.83%
1984	49.9	47.0	2.63	140.66	129.98	131.30	0.00	0.00	0.00%
1985	82.1	65.0	2.23	123.55	123.55	182.99	0.00	0.00	0.00%
1986	90.3	66.0	1.50	142.19	135.90	135.47	0.43	0.36	0.27%
1987	81.5	71.2	1.94	110.81	122.31	158.12	0.00	0.00	0.00%
1988	60.3	74.6	2.54	110.16	110.16	153.05	0.00	0.00	0.00%
1989	60.1	74.6	2.36	150.41	121.17	141.83	0.00	0.00	0.00%
1990	67.9	69.9	2.28	164.51	133.29	154.86	0.00	0.00	0.00%
1991	47.2	62.8	2.37	145.94	145.94	111.79	34.15	28.45	19.49%
1992	104.0	62.8	2.07	131.32	131.35	215.35	0.00	0.00	0.00%
1993	54.3	60.8	2.50	125.39	125.39	135.79	0.00	0.00	0.00%
1994	78.7	67.0	2.26	124.99	124.99	177.95	0.00	0.00	0.00%
1995	58.5	63.9	3.24	143.50	137.49	189.59	0.00	0.00	0.00%
1996	95.2	77.5	2.71	158.05	151.24	258.05	0.00	0.00	0.00%
1997	86.2	74.5	2.43	207.49	166.36	209.36	0.00	0.00	0.00%
1998	97.5	86.7	1.94	172.25	172.25	189.19	0.00	0.00	0.00%
1999	86.9	89.4	1.82	170.51	170.51	158.16	12.35	10.29	6.03%
2000	73.4	89.4	1.85	151.31	153.46	135.88	17.58	14.64	9.54%
2001	71.4	82.2	1.97	147.69	147.69	140.60	7.08	5.90	4.00%
2002	40.7	77.2	2.32	141.25	141.25	94.45	35.31	29.41	20.83%
2003	47.9	64.3	2.42	149.11	149.11	116.03	33.08	27.56	18.48%
2004	101.6	64.3	2.06	137.06	137.06	209.20	0.00	0.00	0.00%
2005	88.7	69.4	2.00	129.54	129.54	177.48	0.00	0.00	0.00%
2006	62.3	66.3	3.04	126.70	126.70	189.43	0.00	0.00	0.00%
2007	93.2	81.4	4.00	150.44	139.38	372.75	0.00	0.00	0.00%
Average Payment								5.32	4.01%

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Table 1. Corn ACRE Program, Irrigated Kansas

Year	Planted Yield ¹	Olympic Average Yield ²	MYA Price	Bench- mark * 90% Revenue	10% Cup/Cap on Bench- mark ³	Revenue to Count	Pymt on 83.3% Planted Acre	Pymt per Ac. ^{4,5}	% of Cover- age Paid
1980	93.2	97.4	3.11	208.93	200.73	289.92	0.00	0.00	0.00%
1981	124.6	101.4	2.50	246.65	220.80	311.43	0.00	0.00	0.00%
1982	115.7	108.9	2.55	256.09	242.88	294.97	0.00	0.00	0.00%
1983	104.6	110.5	3.21	247.53	247.53	335.64	0.00	0.00	0.00%
1984	127.1	114.9	2.63	286.47	272.28	334.24	0.00	0.00	0.00%
1985	135.0	122.4	2.23	302.05	299.51	301.05	0.00	0.00	0.00%
1986	142.3	125.9	1.50	267.79	269.56	213.41	56.16	46.78	17.35%
1987	123.4	128.5	1.94	211.36	242.61	239.46	3.14	2.62	1.08%
1988	141.5	134.5	2.54	198.93	218.34	359.48	0.00	0.00	0.00%
1989	135.2	137.2	2.36	271.23	240.18	318.99	0.00	0.00	0.00%
1990	142.5	139.7	2.28	302.59	264.20	324.96	0.00	0.00	0.00%
1991	147.5	139.7	2.37	291.60	290.62	349.47	0.00	0.00	0.00%
1992	157.5	143.8	2.07	292.40	292.40	325.92	0.00	0.00	0.00%
1993	133.1	141.7	2.50	287.38	287.38	332.72	0.00	0.00	0.00%
1994	158.7	149.1	2.26	291.44	291.44	358.75	0.00	0.00	0.00%
1995	135.9	147.0	3.24	319.47	319.47	440.47	0.00	0.00	0.00%
1996	169.7	150.7	2.71	363.70	351.41	459.85	0.00	0.00	0.00%
1997	167.9	154.2	2.43	403.53	386.55	407.99	0.00	0.00	0.00%
1998	173.7	165.4	1.94	356.65	356.65	336.89	19.76	16.46	4.61%
1999	174.6	170.4	1.82	325.34	325.34	317.76	7.58	6.31	1.94%
2000	166.3	170.4	1.85	288.34	292.81	307.58	0.00	0.00	0.00%
2001	160.1	169.3	1.97	281.44	281.44	315.45	0.00	0.00	0.00%
2002	148.9	166.7	2.32	290.98	290.98	345.41	0.00	0.00	0.00%
2003	159.7	162.0	2.42	321.78	320.07	386.53	0.00	0.00	0.00%
2004	180.2	162.0	2.06	345.62	345.62	371.21	0.00	0.00	0.00%
2005	178.0	165.9	2.00	326.66	326.66	355.91	0.00	0.00	0.00%
2006	162.5	166.7	3.04	303.16	303.16	494.00	0.00	0.00	0.00%
2007	188.3	173.6	4.00	378.13	333.48	753.23	0.00	0.00	0.00%
Average Payment								2.41	0.83%

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89



ACRE Calculation Worksheet

1 2007/08 Corn NASS Price		\$4.20
2 USDA Forecast 2008/09 NASS Price		\$4.10
3 ACRE Strike Price	Avg (ln 1 & ln 2)	\$4.15
4 State Yield by Year		State
5 2004		110.0
6 2005		94.0
7 2006		72.0
8 2007		97.0
9 2008		97.0
10 State Olympic Average Yield	[(Sum (ln 5...ln 9) - Max (ln 5...ln 9) - Min (ln 5...ln 9)) / 3	96.0

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90



ACRE Calculation Worksheet

11 Coverage X 90%²	$(\text{In } 3 \times \text{In } 10) \times 90\%$	\$358.56
12 Actual 2009 State Yield		96.0
13 Max (2009/10 MYA Price, 70% X Loan)		\$3.50
14 Revenue to Count	$(\text{In } 12 \times \text{In } 13)$	336.00
15 Gross ACRE Payment	$(\text{In } 11 - \text{In } 14)$	22.56
16 25% Payment Cap	$(\text{In } 11 \times 25\%)$	89.64
17 Pay the Lesser of In 15 or In 16		22.56
18 Payment Factor 0.833 (0.85 in 2012)	$(\text{In } 17 \times 0.833)$	18.79
19 Farm's Olympic Yield³		110
20 Farm's Crop Insurance Premium		\$21.42
21 Farm Benchmark	$(\text{In } 3 \times \text{In } 19) + \text{In } 20$	477.92
22 Farm Yield in 2009		110
23 Farm Revenue to Count	$(\text{In } 13 \times \text{In } 22)$	385.00
24 Eligibility Requires Farm Revenue to be less than Farm Benchmark If No, then ACRE payment for the farm is zero and Stop Calculations	IF In 21 > In 23 then "YES" otherwise "NO"	Yes
25 Farm's Olympic Yield Ratio / State Olympic Yield	$(\text{In } 19 / \text{In } 10)$	1.146
26 Farm Level ACRE Payment	$(\text{In } 18 \times \text{In } 25)$	\$21.53

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91 

Is ACRE a Substitute for Crop Insurance?

Is your farm corn yield correlated with the state yield? More likely is the case in a small state like Delaware vs. a large state like Iowa

Is your state yield negative correlated with price? A corn crop failure in Delaware will likely have no effect on corn price but is that true for Iowa?

ACRE would not have paid on the 2007 Kansas wheat crop failure. NW farm yields were above normal so farmers could not meet the farm level benchmark test and the short crop caused higher market prices eliminated SURE payments for Central Kansas wheat farmers with zero yields.

Because ACRE is a "put option" on expected state revenue, ACRE will be the most attractive if new crop prices are trading significantly below the SURE strike price; i.e. an in the money put.

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92 

Other Considerations

- If planting corn on wheat base or a base with a very "small" direct payment then one is betting a small amount of cash for a chance to collect more than \$100. A 20% of direct wheat payments may only be \$2 and acre or \$8 for the 4 years verses \$20 or more for rice for a total of \$80.
- At the other extreme if farmers are over the payment limits, then they are betting \$32,000 (20% of \$40,000 for 4 years) for a chance to collect up to \$73,000 or nothing. History suggests that if there is an ACRE payment it will only happen in 1 of the 4 years, but farmers will increase the odds of collect if they only sign up when ACRE is "in the money".

Estimated Weighted National Average Price and Projected % ACRE Price loss (4/13/09)

Crop	Wheat		Month	Corn	Grain Sorghum	Soy-beans
	Month					
	Jun	7.62	Sep	5.02	4.60	10.70
	Jul	7.16	Oct	4.37	3.96	9.94
	Aug	7.64	Nov	4.26	3.68	9.38
	Sep	7.43	Dec	4.05	2.87	8.97
	Oct	6.67	Jan	4.36	3.27	9.97
	Nov	6.28	Feb	3.87	2.83	9.55
	Dec	5.91	Mar	3.96	3.10	9.13
	Jan	5.90				
	Feb	5.79				
	Mar	5.84				
	Prior Month USDA Est. NASS Price	6.80		4.10	3.70	9.35
	USDA Est. 2008/09 NASS Price	6.85		4.20	3.80	9.65
	KSU Est. 2008/09 NASS Price ²	6.78		4.22	3.39	9.66
	% of 08-09 NASS Price Settled ³	88%		63%	72%	70%
	ACRE					
	07-08 NASS Published Price	6.48		4.20	4.08	10.10
	2009 ACRE Strike Price	6.63		4.21	3.74	9.88
	2009 ACRE Strike Price X 90% ⁴	5.97		3.79	3.36	8.89
	Maximum ACRE Price ⁵	4.48		2.84	2.52	6.67
	Current Futures New Crop Price ⁶	6.14		4.37	3.54	9.12
	\$ ACRE in (out) of the Money	-\$0.17		-\$0.58	-\$0.18	-\$0.23
	% ACRE in (out) of the Money	(2.59%)		(13.83%)	(4.88%)	(2.31%)

Summary

- Few people expect any CC or LDP payments on soybeans, feedgrains, or wheat, therefore the tradeoff is a potentially "large" ACRE payment in return for a 20% reduction in direct payments and a 30% reduction the loan for the next 4 years (signup is for the duration of the Farm Bill).
- If all crop ACRE "options" are out of money; Do not signup.
- If all crop ACRE "options" are in the money; then the odds increase for an ACRE payment. Historical data suggest if there is a "large" ACRE payment it will only happen in one of the four years.

Summary

- If there is a mix of in and out of the money ACRE "options" then the ACRE decision will depend on the following:
 - 1. Is your dominant crop in the money?
 - 2. Are you over the payment limit?
 - 3. Does the crop base generate only "small" direct payments so if ACRE does not pay there is a "small" loss in direct payments?
 - 4. Will farmers' landlords agree to ACRE?

Summary

- If there is a mix of in and out of the money ACRE "options" then it will depend on the following:
 - 5. Does their state have a negative price-yield correlation?
 - 6. What state is the farm located? ACRE is "nearly" a county program in Delaware versus a very large corn-soybean state like Illinois.
 - 7. Because ACRE is based on the crop planted farmers may change their acreage of a crop next year to a crop that is in the money.
 - 8. Farmers that do not elect ACRE in 2009 may elect in any of the following years. Farmers that elect ACRE in 2010 give up 20% of their direct payments for the next 3 years versus 4 years for those electing ACRE in 2009.

SUMMARY

■ ACRE

- Participation in either or both programs
- Start Date 2009
- Signup, before June 1 (annually)
- After signup, in ACRE for the duration of Farm Bill
- Cost 20% Direct & 30% loan reduction, no CC
- Farm Serial #

■ SURE

- Participation in either or both programs
- Start Date 2008
- Signup, None; May have to "certify" all acres insured
- Annual
- Insure all crops or pay NAP fees
- Whole farm, all crops



Thank You

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Crop Insurance and Marketing

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Marketing Plans

- Farmer sells everything at harvest.
- Farmer stores everything and sells out of the grain bin.
- buys puts, sell futures, forward contracts, counter cyclical/marketing loan, ACR etc.
- Farmer feeds his grain to hogs, cattle, dairy cows, etc.
- All Marketing Plans assume bushels will be produced at harvest otherwise, it is a speculative position.

Summary of farm bill crop insurance title

Administratively, USDA increased the price limits on CRC from current levels to 2 times base price, e.g. would have increased corn from a \$6.90 cap (\$5.40 + \$1.50) to \$10.80 and eliminated the downside price limit.

Administratively, USDA will apply this same price limit to RA for the first time.

Conduct a pilot that increases the subsidy rate on enterprise & whole farm units to match optional unit subsidy.

Indemnity for MPC I, RA, and CRC with a Price Increase

Indemnity Payment	MPCI
APH	133.3
Coverage Level \Deduct	75%
Bushels Guaranteed	100
Enter MPC I Price Election	\$3.50
\$ of Coverage \ Acre	\$350
Min Revenue Guarantee	
Max Revenue Guarantee	
Current Year's Crop (bu)	66.0
Lost Bushels	34.0
Harvest Average Price	
Max Harvest Price	
Lesser of 2 harvest prices	
Final Guarantee	
Revenue to Count	
Indemnity Payment	\$119

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103 

Indemnity for MPC I, RA, and CRC with a Price Increase

Indemnity Payment	MPCI	CRC & RA-HPO
APH	133.3	133.3
Coverage Level \Deduct	75%	75%
Bushels Guaranteed	100	
Enter MPC I Price Election	\$3.50	\$4.00
\$ of Coverage \ Acre	\$350	
Min Revenue Guarantee		\$400
Max Revenue Guarantee		\$800
Current Year's Crop (bu)	66.0	66.0
Lost Bushels	34.0	
Harvest Average Price		\$6.50
Max Harvest Price		\$8.00
Lesser of 2 harvest prices		\$6.50
Final Guarantee		\$650
Revenue to Count		\$429
Indemnity Payment	\$119	\$221

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104 

Indemnity for MPC, RA, and CRC with a Price

Increase

Indemnity Payment	MPCI	CRC & RA-HPO	RA
APH	133.3	133.3	133.3
Coverage Level \ Deduct	75%	75%	75%
Bushels Guaranteed	100		
Enter MPC Price Election	\$3.50	\$4.00	\$4.00
\$ of Coverage \ Acre	\$350		
Min Revenue Guarantee		\$400	\$400
Max Revenue Guarantee		\$800	
Current Year's Crop (bu)	66.0	66.0	66.0
Lost Bushels	34.0		
Harvest Average Price		\$6.50	\$6.50
Max Harvest Price		\$8.00	\$8.00
Lesser of 2 harvest prices		\$6.50	\$6.50
Final Guarantee		\$650	\$400
Revenue to Count		\$429	\$429
Indemnity Payment	\$119	\$221	\$0

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105



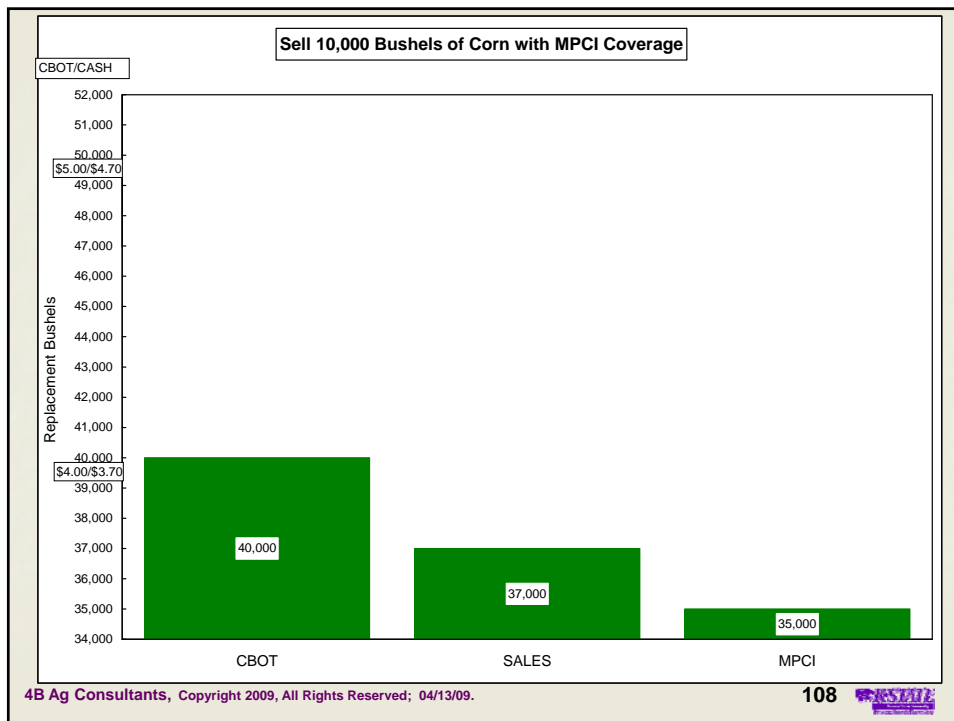
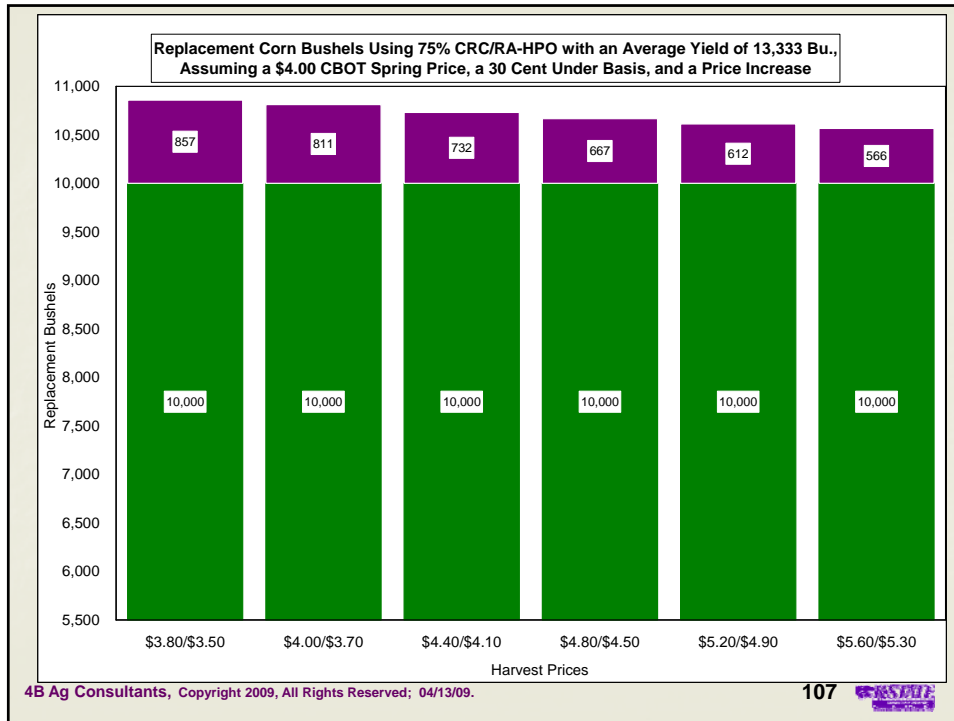
Replacement Corn Bushels Using 75% APH (MPCI) with an Average Yield of 13,333 Bushels,
Assuming \$3.50 APH Price, a 30 Cent Under Basis, and a Price Increase

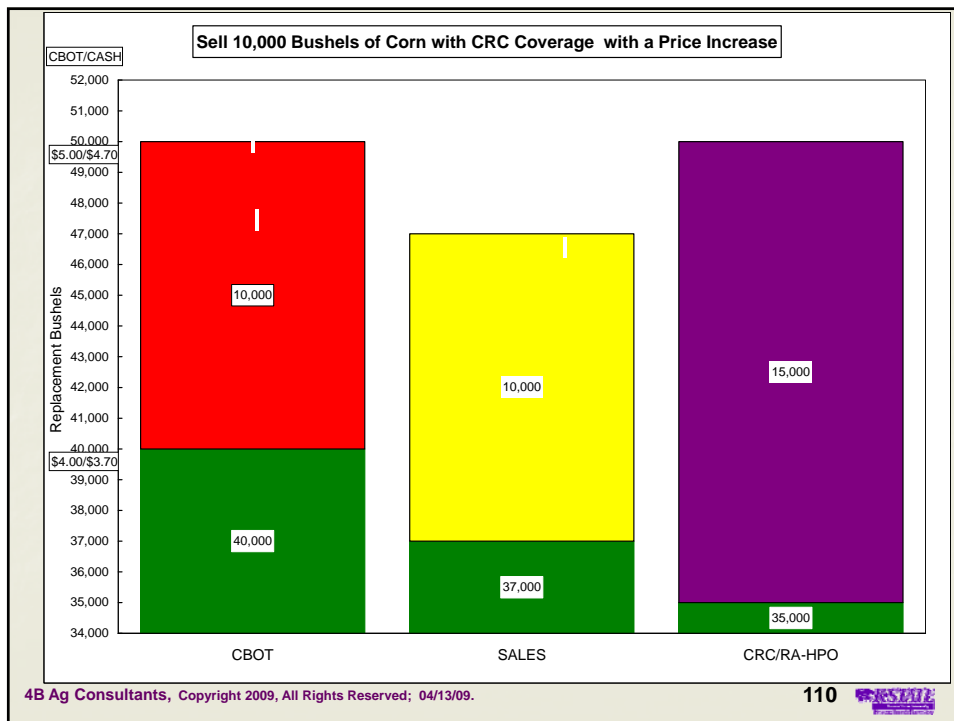
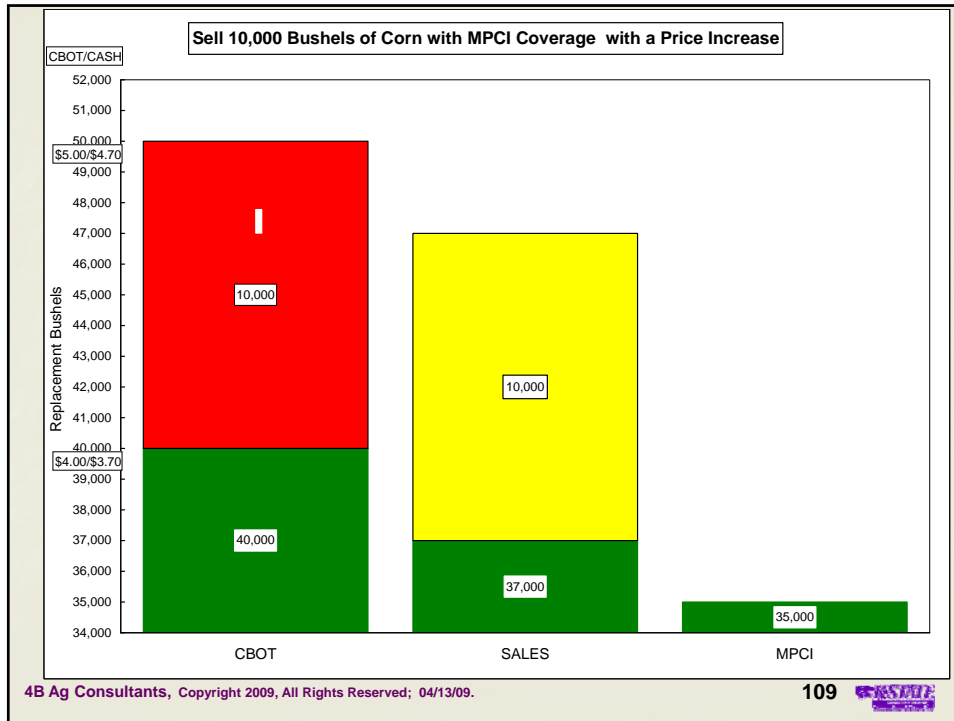


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106







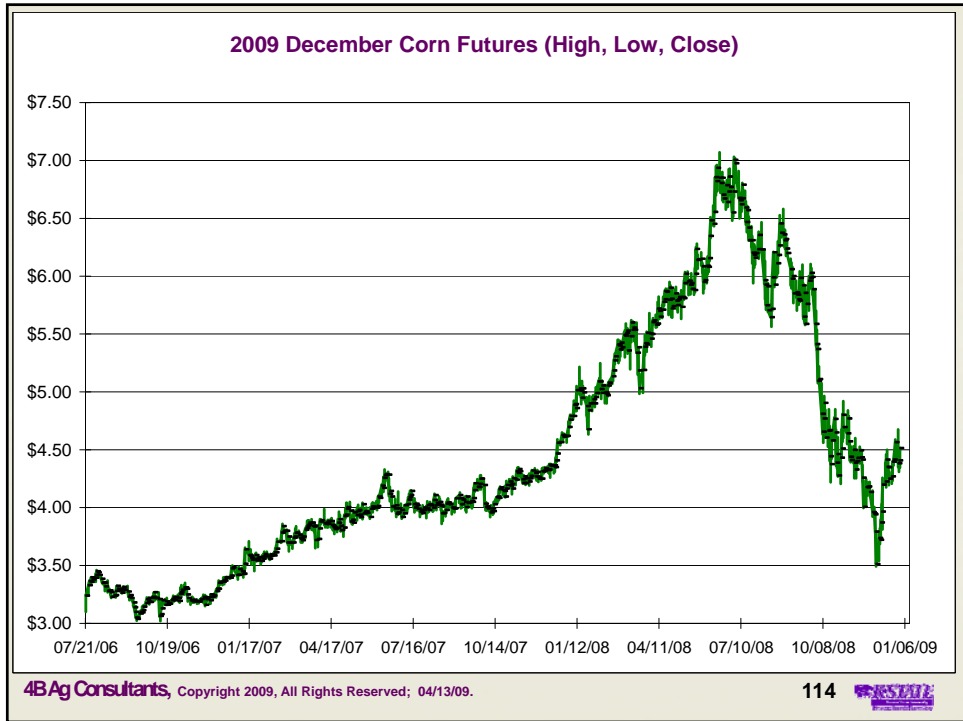
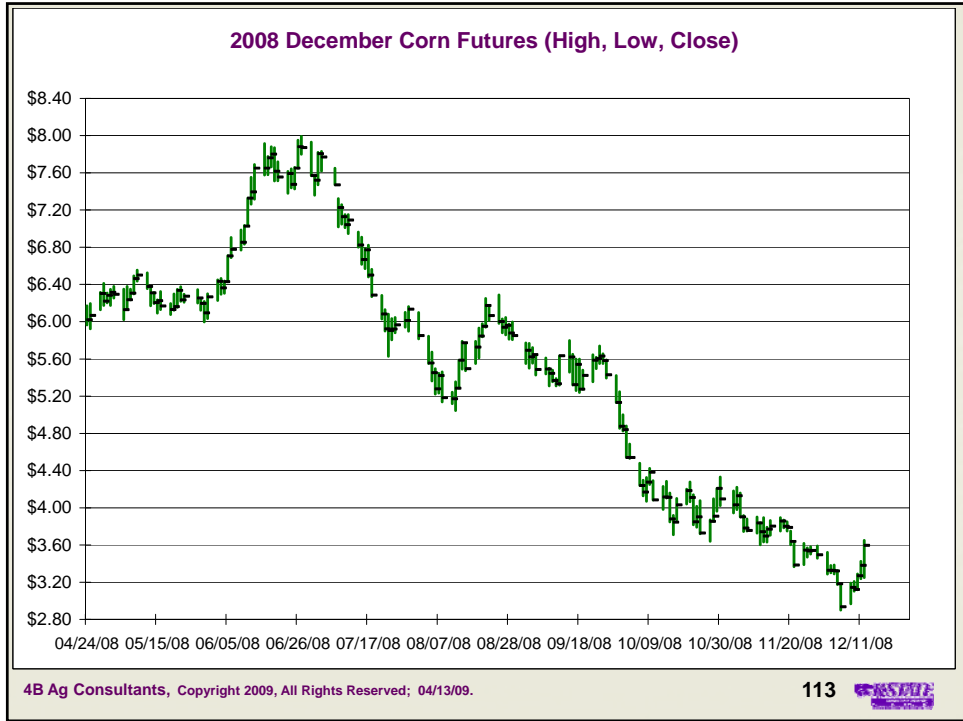
Increased subsidy rate on enterprise & whole farm units

Coverage Level	50	55	60	65	70	75	80	85
Current Subsidy Level	67%	64%	64%	59%	59%	55%	48%	38%
Increase Subsidy for:								
Enterprise Units*	80%	80%	80%	80%	80%	77%	68%	53%
Whole Farm Units*	n/a	n/a	n/a	80%	80%	80%	71%	56%

*New increased subsidy for Enterprise and Whole Farm units are only on insurance plans and in counties that RMA offers Enterprise and Whole Farm units.

USA Corn

Item	USDA 2002/03	USDA 2004/05	USDA 2006/07	USDA 2007/08	USDA 2008/09	Change 2008/09
Acres Planted (1000 acres)	78,894	80,929	78,327	93,527	85,982	-8.78%
Acres Harvested (1000 acres)	69,330	73,631	70,638	86,520	78,640	-10.02%
Yield Per Acre (Bushels)	129	160	149	151	154	2.08%
Production (M Bu)	8,968	11,807	10,531	13,038	12,101	-7.74%
Beginning Stocks (M Bu)	1,596	958	1,967	1,304	1,624	19.70%
Total Supply (M Bu)	10,578	12,776	12,510	14,362	13,740	-4.53%
Exports (M Bu)	1,588	1,818	2,125	2,436	1,750	-39.20%
Feed and Residual Use (M Bu) ¹	5,563	6,158	5,591	5,938	5,300	-12.04%
Food, Seed, Ind. (M Bu) ²	2,340	2,686	1,365	1,338	1,300	-2.92%
Ethanol for Fuel			2,125	3,026	3,600	15.94%
Total Consumption (M Bu)	9,491	10,662	11,206	12,737	11,950	-6.59%
Ending Stocks (M Bu)	1,087	2,114	1,304	1,624	1,790	9.27%
Average Farm Prices (\$/bu)	2.32	2.06	3.04	4.20	3.90	-7.69%
stocks to use ratio	11.5%	19.8%	11.6%	12.8%	15.0%	14.88%



2009 December Corn Futures



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115

2010 December Corn Futures (High, Low, Close)



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116

World Coarse Grains

Item	2002/03	2004/05	2006/07	2007/08	2008/09	2008/09
Foreign Production (MMT)	628.90	695.80	708.50	728.90	774.00	5.83%
U.S. Production (MMT)	243.72	319.42	280.00	349.86	326.09	-7.29%
Foreign Beginning Stock (MMT)	149.43	111.52	110.49	102.44	112.49	8.93%
U.S. Beginning Stocks (MMT)	45.04	28.76	54.77	36.17	45.06	19.73%
U.S. Ending Stock (MMT)	30.94	58.80	36.17	45.06	49.81	9.54%
Foreign Ending Stock (MMT)	134.38	119.88	102.44	112.49	128.96	12.77%
U.S. Consumption (MMT)	214.67	240.22	242.80	274.60	276.15	0.56%
Foreign Consumption (MMT)	687.14	736.61	772.32	785.24	802.71	2.18%
Total production (MMT)	872.62	1,015.22	988.50	1,078.76	1,100.09	1.94%
Total Beginning Stocks (MMT)	194.47	140.28	165.26	138.61	157.55	12.02%
World Total Supply (MMT)	1,067.09	1,155.50	1,153.76	1,217.37	1,257.64	3.20%
Total Consumption (MMT)	901.81	976.83	1,015.12	1,059.84	1,078.86	1.76%
U.S. Total Supply (MMT)	288.76	348.18	334.77	386.03	371.15	-4.01%
Foreign Total Supply (MMT)	778.33	807.32	818.99	831.34	886.49	6.22%
Total Ending Stock (MMT)	165.32	178.68	138.61	157.55	178.77	11.87%
stocks to use ratio	18.3%	18.3%	13.7%	14.9%	16.6%	10.29%

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117 

1974-2008 December Corn Futures (High, Low, Close)

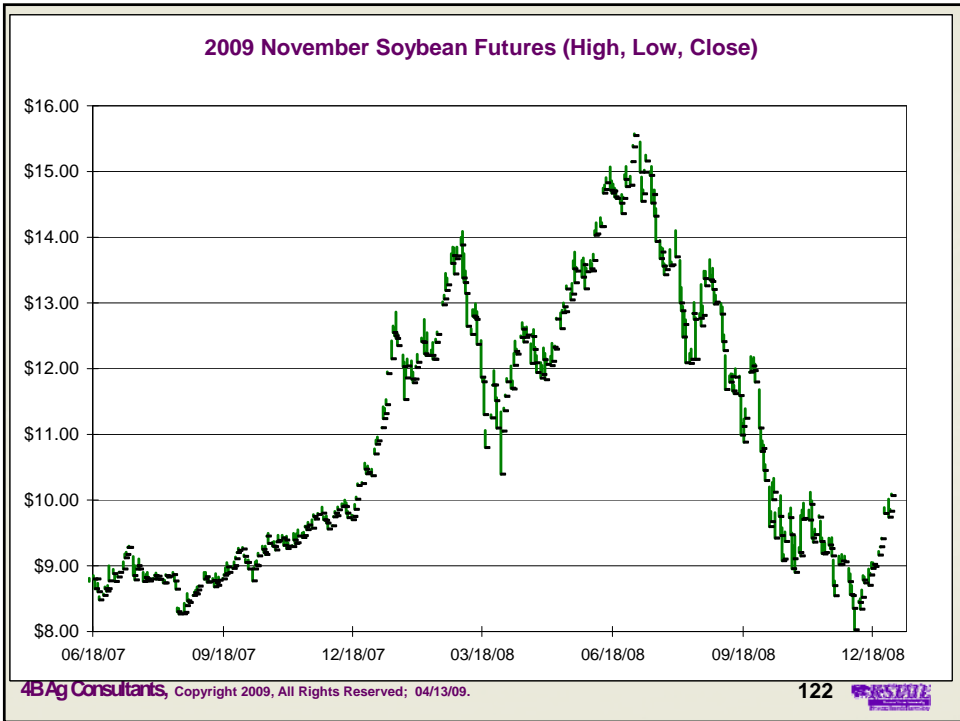
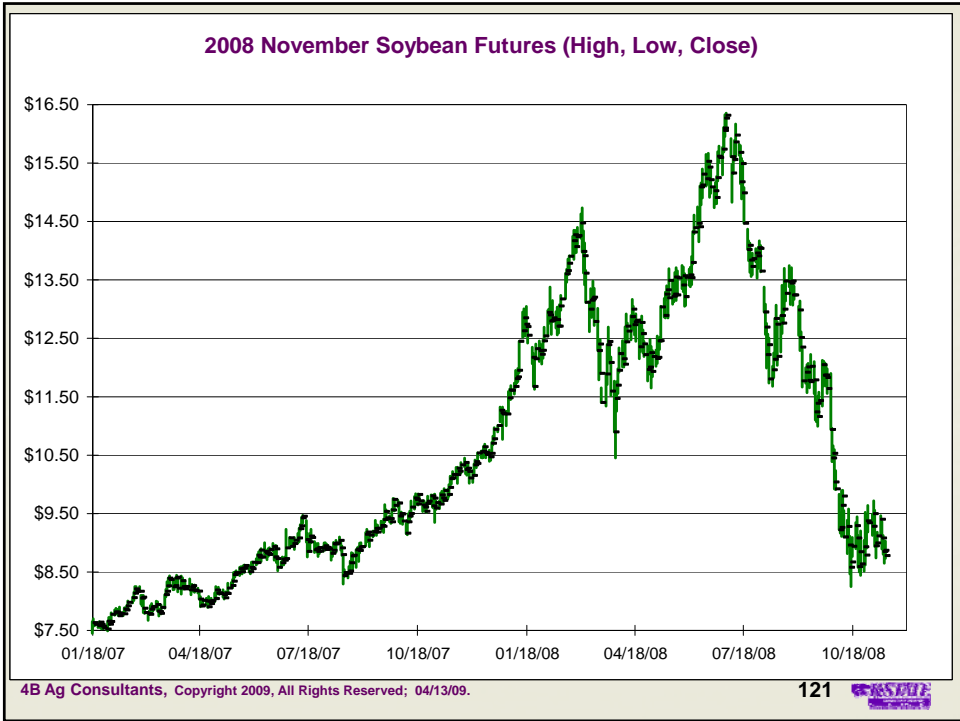


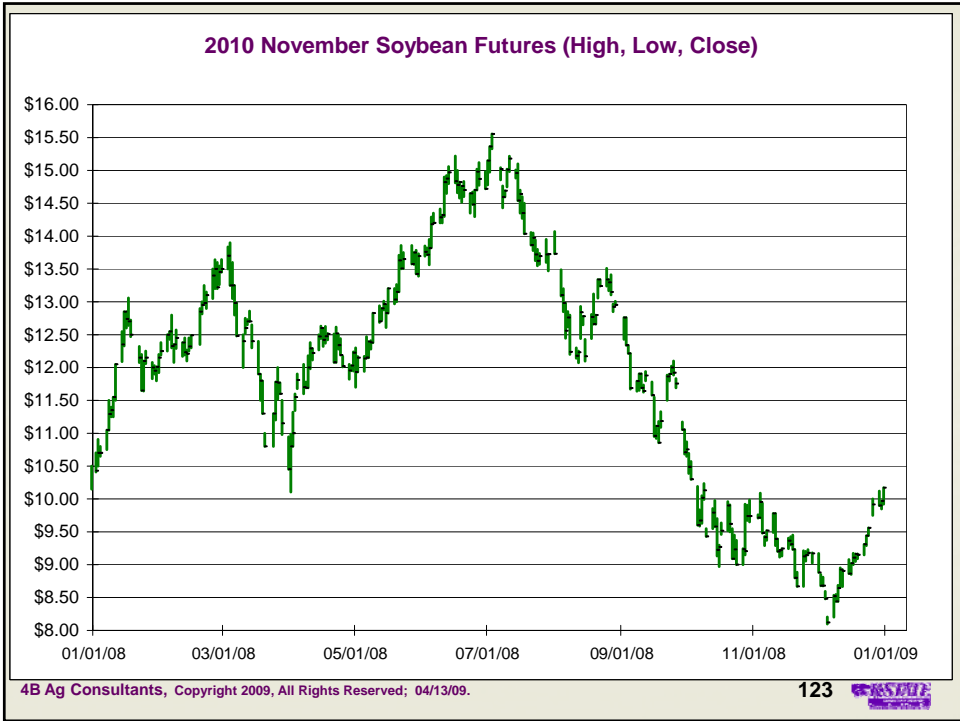
USA Soybeans

Item	2002/03	2004/05	2006/07	2007/08	2008/09	2008/09
Acres Planted (1000 acres)	73,963	75,208	75,522	64,741	75,718	14.50%
Acres Harvested (1000 acres)	72,497	73,958	74,602	64,146	74,641	14.06%
Yield Per Acre (Bushels)	38	42	43	42	40	-5.30%
Production (M Bu)	2,756	3,124	3,197	2,677	2,959	9.53%
Beginning Stocks (M Bu)	208	112	449	574	205	-180.00%
Total Supply (M Bu)	2,969	3,242	3,655	3,261	3,173	-2.77%
Exports (M Bu)	1,045	1,097	1,116	1,161	1,150	-0.96%
Feed, Seed, and Residual Use (M Bu)	130	192	157	93	163	42.94%
Crush (M Bu)	1,615	1,696	1,808	1,801	1,650	-9.15%
Total Consumption (M Bu)	2,791	2,986	3,081	3,055	2,963	-3.10%
Ending Stocks (M Bu)	178	256	574	205	210	2.38%
Average Farm Prices (\$/bu)	5.53	5.74	6.43	10.10	9.25	-9.19%
stocks to use ratio	6.4%	8.6%	18.6%	6.7%	7.1%	5.32%

World Soybean

Item	2002/03	2004/05	2006/07	2007/08	2008/09	2008/09
U.S. Production (MMT)	75.01	85.01	87.00	72.86	80.54	9.54%
S. American Production (MMT)	92.00	96.05	114.00	114.00	104.80	-8.78%
Other Foreign Production (MMT)	30.03	34.68	36.54	34.02	38.81	12.34%
World Production (MMT)	197.04	215.75	237.54	220.88	224.15	1.46%
U.S. Consumption (MMT)	47.52	51.40	53.47	51.57	49.35	-4.50%
S. American Consumption (MMT)	55.94	62.04	70.80	72.71	71.20	-2.12%
Total Foreign Consumption (MMT)	143.21	153.76	172.13	178.21	177.27	-0.53%
World Consumption (MMT)	190.73	205.16	225.60	229.78	226.62	-1.39%
U.S. Ending Stocks (MMT)	4.85	6.96	15.62	5.58	5.71	2.28%
S. American Ending Stocks (MMT)	28.49	33.80	40.98	41.11	36.67	-12.11%
Total Foreign Ending Stocks (MMT)	35.89	41.53	47.07	47.63	44.16	-7.86%
World Ending Stocks (MMT)	40.75	48.49	62.69	53.21	49.87	-6.70%
stocks to use ratio	21.4%	23.6%	27.8%	23.2%	22.0%	-5.23%





USA Wheat

Item	2002/03	2004/05	2006/07	2007/08	2008/09	2008/09
Acres Planted (1000 acres)	60,318	59,674	57,334	60,460	63,147	4.26%
Acres Harvested (1000 acres)	45,824	49,999	46,800	50,999	55,685	8.42%
Yield Per Acre (Bushels)	35	43	39	40	45	10.47%
Production (M Bu)	1,606	2,158	1,808	2,051	2,500	17.96%
Beginning Stocks (M Bu)	777	546	571	456	306	-49.02%
Total Supply (M Bu)	2,460	2,775	2,501	2,620	2,915	10.12%
Exports (M Bu)	850	1,066	908	1,264	1,000	-26.40%
Feed and Residual Use (M Bu)	116	182	117	15	230	93.48%
Food Use (M Bu)	919	910	938	948	950	0.21%
Seed Use (M Bu)	84	78	82	88	80	-10.00%
Total Consumption (M Bu)	1,969	2,235	2,045	2,314	2,260	-2.39%
Ending Stocks (M Bu)	491	540	456	306	655	53.28%
Average Farm Prices (\$/bu)	3.56	3.40	4.26	6.48	6.80	4.71%
stocks to use ratio	24.9%	24.2%	22.3%	13.2%	29.0%	54.37%

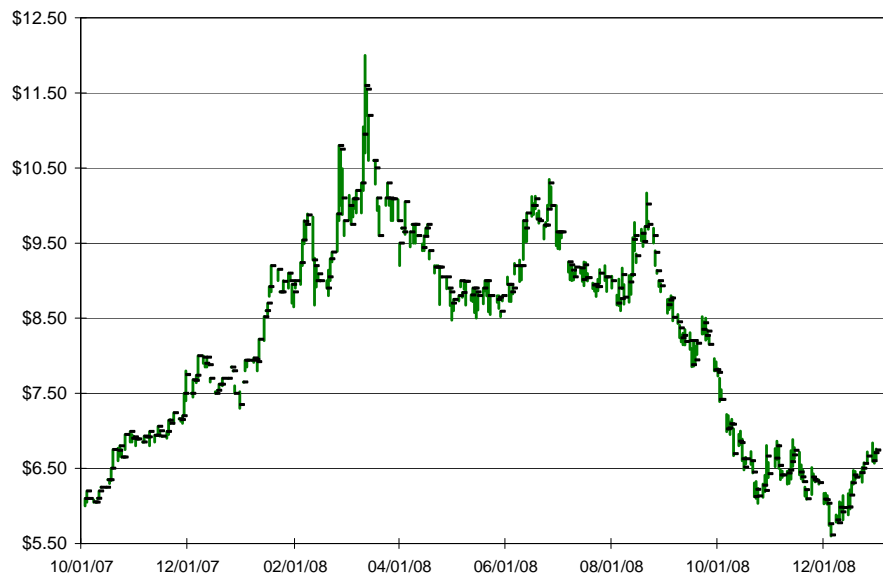
2008 September Spring Wheat Futures (High, Low, Close)



World Wheat

Item	2002/03	2004/05	2006/07	2007/08	2008/09	2008/09
Area Harvested (Million Hectare)	214.00	218.80	213.00	218.60	224.20	2.50%
Yield (Tons Per Hectare)	2.70	2.90	2.80	2.80	3.00	6.67%
Production (MMT)	567.00	628.60	596.10	611.00	682.80	10.52%
Total Consumption (MMT)	601.40	610.00	616.60	618.40	652.40	5.21%
Trade (MMT)	108.50	111.10	111.60	116.60	123.50	5.59%
Ending Stocks (MMT)	167.60	151.20	127.00	119.60	150.00	20.27%
stocks to use ratio	27.9%	24.8%	20.6%	19.3%	23.0%	15.88%

2009 September Spring Wheat Futures (High, Low, Close)



2009 July KC Wheat Futures



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129 

2009 July KC Wheat Futures



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130 

Thank You

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