



# Crop Revenue Coverage (CRC) Insurance

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# CRC Basics

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- Protects against yield loss *and* price loss
- A Dollar guarantee per acre (as opposed to a bushel guarantee per acre)
- Coverage from 50 to 85%
- Premiums subsidized by feds – Max is at 70% coverage (59% subsidy)
- Price used is higher of spring or fall futures



# Base and Harvest Prices

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- Base price- February daily average closing prices for Dec corn and Nov beans
- Harvest price- October daily average closing prices for Dec corn, Nov beans
- Prices are announced March 5 and November 5



# How it Works

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**Minimum Revenue Guarantee –**

**Bushel guarantee (Actual Production History x % coverage level) x Base price**

**Soybean example: 42 bushel APH x 70% coverage level = 29.4 bushel guarantee.**

**If the February daily average closing price for Nov beans is \$6.50, grower is guaranteed \$191.10 per acre (29.4 bu x \$6.50/bu)**



# How it Works

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## **Final Revenue Guarantee –**

**We already calculated a bushel guarantee of 29.4 bushels per acre.**

**If the February daily average closing price for Nov beans is \$6.50, grower is guaranteed \$191.10 per acre (29.4 bu x \$6.50/bu)**

**If the October daily average closing price for Nov beans is \$7.50, the guarantee increases to \$220.50.**

**If the October price is lower than the February price, you're still guaranteed Feb price.**



# Figuring Production Value

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**Actual yield per acre x Harvest price**

**Same soybean example: If actual yield is 20 bushels, the final production value is \$150/acre. The guarantee was \$220.50/acre so the indemnity payment would be \$70.50.**

**If the harvest price was \$6.00/bushel instead of \$7.50, production value would be \$120/acre but the guarantee would be \$191.10/acre, so the indemnity payment would be \$71.10.**