


[About RME](#)
[Press Releases](#)
[Partnerships](#)
[Programs](#)
[Publications](#)
[Summit](#)
[Calendar](#)
[Links](#)
[RME Home](#)

USDA Home
Risk Management Agency

Publications



RME Fact Sheet Group Risk Plan (GRP)

The Group Risk Plan (GRP) of insurance is designed as a risk management tool to insure against widespread loss of production of the insured crop in a county.

Alternative Plan

GRP is a dramatic departure from traditional approaches to crop insurance protection, with less paperwork and generally less cost than Multiple Peril Crop Insurance (MPCI). The policy was developed on the basis that when an entire county's crop yield is low, most farmers in that county will also have low yields.

Coverage Levels

Producers must choose one coverage level for each crop and county combination. The grower selects the dollar amount of protection per acre and one of the five coverage levels (70, 75, 80, 85, or 90 percent) of the Federal Crop Insurance Corporation expected county yield.

Expected County Yield

The expected county yield used for GRP is calculated using many years of county data from the National Agricultural Statistics Service (NASS) with an adjustment for the yield trend.

Loss (Indemnity) Payments

Indemnities are paid when the NASS county yield for the county falls below the "trigger yield." The expected county yield is multiplied by the selected coverage level. Indemnity payments are made about six months after harvest of the crop.

GRP Benefits

Offers catastrophic protection and may cost less than MPCI.

GRP provides a simplified plan to manage risk because the only information a producer needs to provide is the number of acres planted by the acreage reporting date.

Producers do not have to provide production history or evidence of loss because payments are made on losses based on the county expected yield.

GRP Restrictions

Producers may not purchase GRP and MPCI coverage for the same crop and year. GRP does not provide prevented planting, late planting, or replant payments. It is possible for a producer to have a low yield on the acreage farmed and still not receive a payment under this plan.

Good experience discounts earned with MPCI do not apply. Lenders may not accept GRP as collateral.

Forage Crop Enhancement

Catastrophic Risk Protection (CAT) coverage of 65 percent of the expected county yield and 60 percent of the maximum amount of protection per acre is available. Forage Crop GRP is available at both the additional and CAT levels of coverage, and can only be purchased through approved crop insurance agents.

GRP Program Expansion

USDA is continuing to evaluate the feasibility, and effectiveness of GRP, as well as monitoring its demand from producers. RMA's objective is to expand into new areas and crops so that interested producers may obtain GRP.

Detailed Information

This summary is for general illustration purposes only. Please contact a crop insurance agent for information specific to your operation.

Where to Purchase

GRP insurance policies are available from private insurance agents. A list of crop insurance agents is available at all county U.S. Department of Agriculture Farm Service Agency offices.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or familial status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9410, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

September 1997

Mention of product names or firms does not necessarily constitute endorsement by the Risk Management Agency or the United States Department of Agriculture over others not mentioned, and is for information purposes only.

[Back to Fact Sheet Table of Contents](#)

[About RME](#) | [Press Releases](#) | [Partnerships](#) | [Programs](#) | [Publications](#) | [Summit Calendar](#) | [Links](#) | [RME Home](#) | [USDA Home](#) | [Risk Management Agency](#)