Risk Management Education for Irrigated & Targeted Commodities

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MSU Department of Agricultural Economics and Economics

Co-Sponsors:
- Western Regional Risk Management Center
- Risk Management Agency & Billings Regional Office
- Mountain States Beet Growers Marketing Association of MT
- MSU Cooperative Extension Service

Sidney, Miles City, Hysham, Hardin, Huntley, Montana
November 18-20, 2002
WORKSHOP OUTLINE

1. Pre-Test
2. Production Risk
   a. MPCI & IP Insurance Products
   b. Specific Crops
3. Diversification Issues
   a. Price Risk
   b. Diversification
4. Product Availability
5. Evaluation
WORKSHOP OUTLINE

1. Pre-Test
2. Production Risk
   a. MPCI & IP Insurance Products
   b. Specific Crops
3. Diversification Issues
   a. Price Risk
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4. Product Availability
5. Evaluation
PRODUCTION RISK OUTLINE

1. Definitions
2. Insurable Units
3. Actual Production History (APH)
4. Multiple Peril Crop Insurance
5. Income Protection
6. Specific Crops
   a. Sugarbeets
   b. Dry Beans
   c. Malting Barley
7. General Crop Insurance Issues
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Production Risk Management Options

Choices When RMA Offerings Are Available

- Self-Insure
- Single-Peril Insurance
- RMA Multiple Peril Offerings
RMA Insurance Categories

Two Broad Categories

1. **Yield Insurance**
   a. Indemnities Paid When Per Acre *Yields* Are Low

2. **Revenue Insurance**
   a. Indemnities Paid When Per Acre *Revenue* Is Low
<table>
<thead>
<tr>
<th></th>
<th>Individual Farm Plans (APH)</th>
<th>Group Plans (County Yield/Revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yield Insurance</strong></td>
<td><strong>MPCI</strong></td>
<td><strong>GRP</strong></td>
</tr>
<tr>
<td><strong>Revenue Insurance</strong></td>
<td><strong>IP</strong></td>
<td><strong>GRIP</strong></td>
</tr>
<tr>
<td></td>
<td><strong>CRC, RA, AGR</strong></td>
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Insurable Units

May Be Able To Insure Different Areas Within A County Under Different Contracts

1. Optional Units
   a. Land In Different Sections

2. Basic Units
   a. Land Operated Under Same Cost/Share Arrangements

3. Enterprise Units
   a. All Of Your Land In The County
All four farms are in the same county.
A & B are operated under 100% crop share (may be owned or cash leased) but in separate sections.
C is leased from a landlord – 1/3 crop share.
D is leased from a different landlord – 1/3 crop share.
Comparing Optional And Basic Units (MPCI)

<table>
<thead>
<tr>
<th>Contract Data</th>
<th>Optional Unit A</th>
<th>Optional Unit B</th>
<th>Basic Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Size</td>
<td>100 acres</td>
<td>100 acres</td>
<td>200 acres</td>
</tr>
<tr>
<td>APH Yield</td>
<td>100 bushels</td>
<td>100 bushels</td>
<td>100 bushels</td>
</tr>
<tr>
<td>Coverage</td>
<td>70%</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Trigger Yield</td>
<td>70 bushels</td>
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</tr>
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<td>Elected Price</td>
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<tr>
<td>Actual Yield Per Acre</td>
<td>60 bushels</td>
<td>80 bushels</td>
<td></td>
</tr>
<tr>
<td>Per Acre Bushel Indemnity</td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>Total Dollar Indemnity</td>
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<td>80 bushels</td>
<td>70</td>
</tr>
<tr>
<td>Per Acre Bushel Indemnity</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Dollar Indemnity</td>
<td>$2,000</td>
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<td>0</td>
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Actual Production History

Producers Must Establish APH For MPCI and IP

1. APH Must Be Established On Each Insurable Unit
2. Based on Historical Proven Yields For The Past 4 to 10 Years
3. This History Must Be For Consecutive Years
4. Must Start With Most Recent Crop Year
Establishing An APH When Records Are Available

<table>
<thead>
<tr>
<th>Year</th>
<th>Producer A</th>
<th>Producer B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>--</td>
<td>104</td>
</tr>
<tr>
<td>1994</td>
<td>--</td>
<td>80</td>
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<tr>
<td>1995</td>
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<td>60</td>
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<tr>
<td>1996</td>
<td>--</td>
<td>86</td>
</tr>
<tr>
<td>1997</td>
<td>--</td>
<td>105</td>
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<td>60</td>
</tr>
<tr>
<td>1999</td>
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<td>90</td>
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<tr>
<td>2000</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>2001</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>2002</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>APH Yield</td>
<td>69</td>
<td>77</td>
</tr>
</tbody>
</table>
Incomplete APH History

1. If You Have Less Than 4 Years Of Proven Yields
   a. A Transition Yield (T-Yield) Is Established
   b. Similar To The County Average

2. If You Are Unable To Supply Any Proven Production Information
   a. Limited To 65% Of The T-Yield
Incomplete APH History

3. If You Have Proven Yields For Only One Year
   a. Can Use 80% Of The T-Yield For The Other Three Years

4. If You Have Proven Yields For Only Two Years
   a. Can Use 90% Of The T-Yield For The Other Two Years

5. If You Proven Yields For Three Years
   a. Can Use 100% Of The T-Yield For The Missing Year
Establishing An APH When Records Are Not Complete

<table>
<thead>
<tr>
<th>Year</th>
<th>Producer C</th>
<th>Producer C</th>
<th>Producer D</th>
<th>Producer D</th>
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</thead>
<tbody>
<tr>
<td>1999</td>
<td>N.A.</td>
<td></td>
<td>N.A.</td>
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<td>2000</td>
<td>60</td>
<td>60</td>
<td>N.A.</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>75</td>
<td>75</td>
<td>N.A.</td>
<td></td>
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<tr>
<td>2002</td>
<td>50</td>
<td>50</td>
<td>N.A.</td>
<td></td>
</tr>
<tr>
<td>APH Yield</td>
<td>??</td>
<td></td>
<td></td>
<td>??</td>
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<td>N.A.</td>
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<tr>
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<tr>
<td>2001</td>
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<tr>
<td>2002</td>
<td>50</td>
<td>50</td>
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<tr>
<td>APH Yield</td>
<td>??</td>
<td></td>
<td></td>
<td>??</td>
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</tbody>
</table>

If The County T-Yield Was 80 Bushels Per Acre
## Establishing An APH When Records Are Not Complete

<table>
<thead>
<tr>
<th>Year</th>
<th>Producer C</th>
<th>Producer C</th>
<th>Producer D</th>
<th>Producer D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>N.A.</td>
<td>80</td>
<td>N.A.</td>
<td></td>
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<tr>
<td>2000</td>
<td>60</td>
<td>60</td>
<td>N.A.</td>
<td></td>
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<tr>
<td>2001</td>
<td>75</td>
<td>75</td>
<td>N.A.</td>
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<tr>
<td>2002</td>
<td>50</td>
<td>50</td>
<td>N.A.</td>
<td></td>
</tr>
<tr>
<td>APH Yield</td>
<td>??</td>
<td>66</td>
<td>??</td>
<td></td>
</tr>
</tbody>
</table>

*If The County T-Yield Was 80 Bushels Per Acre*

Producer C: 100% Of 80 Bushels (1999)
Establishing An APH When Records Are Not Complete

<table>
<thead>
<tr>
<th>Year</th>
<th>Producer C</th>
<th>Producer C</th>
<th>Producer D</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>N.A.</td>
<td>80</td>
<td>N.A.</td>
<td>52</td>
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<tr>
<td>2000</td>
<td>60</td>
<td>60</td>
<td>N.A.</td>
<td>52</td>
</tr>
<tr>
<td>2001</td>
<td>75</td>
<td>75</td>
<td>N.A.</td>
<td>52</td>
</tr>
<tr>
<td>2002</td>
<td>50</td>
<td>50</td>
<td>N.A.</td>
<td>52</td>
</tr>
<tr>
<td>APH Yield</td>
<td>??</td>
<td>66</td>
<td>??</td>
<td>52</td>
</tr>
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*If The County T-Yield Was 80 Bushels Per Acre*

Producer D: 65% Of 80 Bushels (All Years)
APH Yields And Low Yields

1. If You Have Had Some Years With Unusually Low Yields
   a. You Can Replace Those Years With 60% Of The T-Yield
## APH Yields And Low Yields

<table>
<thead>
<tr>
<th>Year</th>
<th>Producer E</th>
<th>Producer E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>104</td>
<td>104</td>
</tr>
<tr>
<td>1994</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>1995</td>
<td>15*</td>
<td>48</td>
</tr>
<tr>
<td>1996</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>1997</td>
<td>105</td>
<td>105</td>
</tr>
<tr>
<td>1998</td>
<td>25*</td>
<td>48</td>
</tr>
<tr>
<td>1999</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>2000</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>2001</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>2002</td>
<td>20*</td>
<td>48</td>
</tr>
<tr>
<td>APH Yield</td>
<td>66</td>
<td>74</td>
</tr>
</tbody>
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If The County T-Yield Was 80 Bushels Per Acre
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6. Specific Crops
   a. Sugarbeets
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7. General Crop Insurance Issues
1. Original FCIC, Subsidized Crop Insurance
2. Producer Establishes An APH
3. Producer Chooses A Yield Election
   a. 50%-75% (Or 85%) Of APH
4. Producer Chooses A Price Election
   a. 30%-100% Of FCIC Forecasted Harvest Price
5. Premium Equals The Maximum Indemnity Multiplied By The Premium Rate
## MPCI Example

<table>
<thead>
<tr>
<th>Contract Data</th>
<th>Value</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>APH Yield</td>
<td>100 bu.</td>
<td></td>
</tr>
<tr>
<td>Yield Election</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>Trigger Yield</td>
<td>70 bu.</td>
<td>0.70 x 100 bu.</td>
</tr>
<tr>
<td>FCIC Price Forecast</td>
<td>$2.50/bu.</td>
<td></td>
</tr>
<tr>
<td>Price Election</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Elected Price</td>
<td>$2.00/bu.</td>
<td>0.80 x $2.50</td>
</tr>
<tr>
<td>Maximum Indemnity</td>
<td>$140</td>
<td>70 bu. x $2.00</td>
</tr>
<tr>
<td>Premium Rate</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Premium</td>
<td>$8.40/ac.</td>
<td>0.06 x $140</td>
</tr>
</tbody>
</table>
MPCI Example

1. Suppose You Actually Harvest 50 Bushels Per Acre
2. Will You Receive An Indemnity?
3. If So, Calculate The Indemnity In Bushels/Acre
4. Calculate The Indemnity In Dollars/Acre
MPCI Example

1. Suppose You Actually Harvest 50 Bushels Per Acre

2. You Receive An Indemnity Because 50 Bushels Is Less Than Your Trigger Yield of 70 Bushels.

3. You Receive The Difference In Bushels
   a. \(70 - 50 = 20\) Bushels/Acre

4. Valued At Your Elected Price
   a. \(20 \times \$2.00 = \$40/Acre\)
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Income Protection (IP)

1. Can Only Insure Enterprise Units

2. Producer Establishes An APH For Each Unit

3. Producer Chooses A Coverage Election
   a. 50%-75% (or 85%)

4. FCIC Establishes A “Projected Harvest Price”
5. **IP Revenue Insurance Guarantee**
   a. APH Yield x Coverage Election x FCIC Projected Harvest Price

6. “Crop Value” Is Your Actual Harvest Yield Multiplied By The “FCIC Actual Harvest Price”

7. Producer Receives An Indemnity When
   a. “Crop Value” Is Less Than the IP Revenue Insurance Guarantee
# IP Example

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<td>IP Revenue Guarantee?</td>
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<td>$2.50/bu.</td>
<td>N.A.</td>
</tr>
<tr>
<td>IP Revenue Guarantee</td>
<td>$175/ac</td>
<td>100 bu. X 0.70 x $2.50</td>
</tr>
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</table>
IP Example 1: Price Constant

1. Suppose You Actually Harvest 50 Bushels Per Acre (Yield Protection)

2. Suppose The Actual FCIC-Determined Harvest Price Is $2.50/bushel

3. What Is Your “Crop Value”? 

4. Will You Receive An Indemnity?

5. If So, Calculate The Indemnity
IP Example 1: Price Constant

1. Suppose You Actually Harvest 50 Bushels Per Acre (Yield Protection)

2. Suppose The Actual FCIC-Determined Harvest Price Is $2.50/bushel

3. Your “Crop Value” Is
   a. \( 50 \text{ bu} \times 2.50 = 125 \text{/Acre} \)

4. You Receive An Indemnity Of $50/Acre Because $125/Acre Is Less Than $175/Acre
   a. \( 175 - 125 = 50 \text{/Acre} \)
IP Example 2: Price Increase

1. Suppose You Actually Harvest 50 Bushels Per Acre

2. But, The Actual FCIC-Determined Harvest Price Increased To $2.75/bushel (Rather Than The Projected Harvest Price of $2.50/bu.)

3. What Is Your “Crop Value”? 

4. Will You Receive An Indemnity? 

5. If So, Calculate The Indemnity
IP Example 2: Price Increase

1. Suppose You Actually Harvest 50 Bushels Per Acre

2. But, The Actual FCIC-Determined Harvest Price Increased To $2.75/bushel (Rather Than The Projected Harvest Price of $2.50/bu.)

3. Your "Crop Value" Is
   a. 50 bu x $2.75 = $137.50/Acre

4. You Receive An Indemnity Of $37.50/Acre
   a. $175 - $137.50 = $37.50/Acre
IP Example 3: Price Decrease

1. Suppose You Actually Harvest 85 Bushels Per Acre (Price Protection)

2. But, The Actual FCIC-Determined Harvest Price Decreased To $2.00/bushel (Rather Than The Expected Harvest Price of $2.50/bu.)

3. What Is Your “Crop Value”? 

4. Will You Receive An Indemnity?

5. If So, Calculate The Indemnity
IP Example 3: Price Decrease

1. Suppose You Actually Harvest 85 Bushels Per Acre (Price Protection)

2. But, The Actual FCIC-Determined Harvest Price Decreased To $2.00/bushel (Rather Than The Expected Harvest Price of $2.50/bu.)

3. Your “Crop Value” Is

   a. 85 bu x $2.00 = $170/Acre

4. You Receive An Indemnity Of $5.00/Acre

   a. $175 - $170 = $5/Acre
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Sugarbeets: MPCI

1. Insurable Units
   a. Must Insure All Your Acres In A County (But, They May Be Under Different Contracts)
   b. May Insure Under Optional, Basic, or Enterprise Units

2. Yield Election -- 50%-85%

3. Price Election For All Acres
   a. 30%-100% FCIC Projected Price
   b. Indemnity Based On Expected Sugar Production
Sugarbeets: MPCI

4. Replant Option
   a. Payment Occurs If Remaining Stand Cannot Produce 90% of Trigger Yield
   b. Payment Becomes The *Lesser Of*
      - 1 Ton Of Beets/Acre
      - 10% Of Trigger Yield (For Trigger Yields Less Than 10 Tons/Acre)
      - Probably Not Applicable In This Area
PRODUCTION RISK OUTLINE

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Dry Beans: MPCI

1. Insurable Units
   a. Must Insure All Your Acres In A County (But, They May Be Under Different Contracts)
   b. May Insure Under Optional, Basic, or Enterprise Units
   c. May Insure By Type (Variety)
      • Different Prices

2. Yield Election -- 50%-75%

3. Price Election For All Acres
   a. 30%-100% FCIC Price
Dry Beans: MPCI

4. Replant Option

a. Payment Occurs If Remaining Stand Cannot Produce 90% of Trigger Yield

b. Payment Becomes The Lesser Of

• 120 Pounds Per Acre

• 10% Of Trigger Yield
PRODUCTION RISK OUTLINE

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7. General Crop Insurance Issues
Malting Barley: MPCI

1. You First Purchase A Feed Barley Contract

2. You Make Decisions Regarding
   a. Units
   b. Yield Election
   c. Price Election

3. You May Elect To Purchase A Malting Barley Rider
   a. Option A: Non-Contracted Malting Barley
   b. Option B: Contracted Malting Barley
Malting Barley: MPCI

4. Rider Applies To ALL Bushels Contracted For Delivery Regardless Of Selected Units

5. Indemnity Is Paid For Any Undelivered Bushels Below Your Trigger Yield

6. Option B: Indemnities Valued As
   a. The Difference Between Malting Barley Contract Price and The FCIC Feed Barley Price Forecast (Adjusted For Quality)
## MPCI Example 1
### Malting Barley: Option B

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>APH Yield</td>
<td>100 bu.</td>
<td></td>
</tr>
<tr>
<td>Yield Election</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>Trigger Yield</td>
<td>70 bu.</td>
<td>0.70 x 100 bu.</td>
</tr>
<tr>
<td>FCIC Price Forecast</td>
<td>$2.50/bu.</td>
<td></td>
</tr>
<tr>
<td>Price Election</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Elected Price</td>
<td>$2.00/bu.</td>
<td>0.80 x $2.50</td>
</tr>
<tr>
<td>Option B Rider</td>
<td>10,000 bu.</td>
<td>100 ac x 100 bu</td>
</tr>
<tr>
<td>Contract Price</td>
<td>$3.50/bu.</td>
<td></td>
</tr>
</tbody>
</table>
MPCI Example 1
Malting Barley: Option B

1. Suppose You Actually Harvest 50 Bushels Per Acre (Makes Malt)

2. You Receive An Indemnity For The Difference In Bushels
   a. $70 - 50 = 20$ Bushels/Acre

3. Valued At Your Feed Barley Price Election
   a. $20 \times $2.00 = $40/Acre
   b. Total = $40 \times 100$ Acres = $4,000$
MPCI Example 1
Malting Barley: Option B

4. You Were Only Able To Deliver 5,000 Bushels (50 bu/ac x 100 acres)

5. Malting Barley Indemnity Is Based On Your Yield Election (70% Of 10,000 bu.)
   a. $7,000 - 5,000 = 2,000$ Bushels
   b. Those Bushels Are Valued As The Difference Between The Malting Barley Contract Price and The FCIC Feed Barley Price Forecast (Quality Adjusted)
6. Your Malting Barley Indemnity Is:
   a. $3.50-$2.50 = $1.00/bu.
   b. $1/bu x 2,000 bu. = $2,000

7. Total Indemnity Is:
   a. $4,000 + $2,000 = $6,000 ($60/ac)
MPCI Example 2
Malting Barley: Option B

1. Suppose You Actually Harvest 100 Bushels Per Acre
   a. All Rejected For Malt (Thins)

2. Will You Receive A Feed Barley Indemnity?
   a. If So, Calculate The Indemnity

3. Will You Receive A Malting Barley Indemnity?
   a. If So, Calculate The Indemnity
MPCI Example 2
Malting Barley: Option B

1. Suppose You Actually Harvest 100 Bushels Per Acre
   a. All Rejected For Malt (Thins)

2. You Receive No Indemnity For Feed Barley (100 bu. > 70 bu.)

3. Your Malting Barley Indemnity Is:
   a. 7,000 Bushels Valued As The Difference Between The Malting Barley Contract Price And The FCIC Feed Barley Price Forecast (Quality Adjusted)
4. Your Malting Barley Indemnity Is:
   a. $3.50-$2.50 = $1.00/bu.
   b. $1/bu x 7,000 bu. = $7,000

5. Total Indemnity Is $7,000
   a. Or $70/Acre
Malting Barley: IP

1. You First Purchase A Feed Barley Contract

2. You Make Decisions Regarding
   a. Coverage Election

3. You May Elect To Purchase A Malting Barley Rider
   a. Option A: Non-Contracted Malting Barley
   b. Option B: Contracted Malting Barley
Malting Barley: IP

4. Receive Indemnity When Per Acre 
   Revenue Falls Below The Trigger 
   Level

5. Feed Barley Price Is Determined At 
   Harvest As 85% Of The CBOT Corn 
   Price

6. Per Acre Revenues Are Calculated 
   As Combinations Of Values Of Feed 
   and Malting Barley Production
## IP Example 1

**Malting Barley: Option B**

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Value</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>APH Yield</td>
<td>100 bu.</td>
<td></td>
</tr>
<tr>
<td>Coverage Election</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>Contract Price</td>
<td>$3.50/bu.</td>
<td></td>
</tr>
<tr>
<td>Trigger Revenue</td>
<td>$245/ac.</td>
<td>100 bu x 0.70 x $3.50</td>
</tr>
<tr>
<td>FCIC IP Forecast Feed Barley Price</td>
<td>$2.50 bu.</td>
<td>0.85 x $2.94 (CBOT Corn)</td>
</tr>
</tbody>
</table>
IP Example 1
Malting Barley: Option B

1. Suppose You Actually Harvest 50 Bushels Per Acre (Makes Malt)

2. Calculate Your Crop Value

3. Calculate Your Indemnity
IP Example 1
Malting Barley: Option B

1. Suppose You Actually Harvest 50 Bushels Per Acre (Makes Malt)

2. Crop Value Is:
   a. $50 \times 3.50 = $175/Acre

3. Indemnity Is:
   a. $245 - 175 = $70/Acre
IP Example 2
Malting Barley: Option B

1. Suppose You Actually Harvest 80 Bushels Per Acre
   a. Some Hail Damage
   b. Some Crop Is Rejected For Malt
   c. On Average, 30 Bushels Of Malting Barley, 50 Bushels Of Feed Barley

2. Say The Actual FCIC IP Feed Barley Harvest Price Was $2.50
IP Example 2
Malting Barley: Option B

3. Calculate Your Crop Value

4. Calculate Your Indemnity
3. Your Crop Value is:
   a. $30 \text{ bu} \times $3.50 = $105/\text{Acre}$
   b. $50 \text{ bu} \times $2.50 = $125/\text{Acre}$

4. Your Indemnity Is:
   a. $245 - $230 = $15/\text{Acre}$
IP Example 3
Malting Barley: Option B

1. Suppose You Actually Harvest 100 Bushels Per Acre

a. But All Rejected Because Of Thins (You Can Sell It For $1.25/bu)

2. The Actual FCIC-Determined Harvest Price Remained At The Expected Harvest Price of $2.50/bu
IP Example 3
Malting Barley: Option B

3. What Is Your “Crop Value”?

4. Will You Receive An Indemnity?

5. If So, Calculate The Indemnity
IP Example 3
Malting Barley: Option B

3. What Is Your “Crop Value”?  
   a. 100 bu x $2.50 = $250/Acre

4. Will You Receive An Indemnity?  
   a. No! Because $250 Is Greater Than Your IP Revenue Guarantee Of $245/Acre

5. Are You Happy?  
   a. Probably Not Because You Only Realized 100 bu x $1.25 = $125/Acre
PRODUCTION RISK OUTLINE

1. Definitions
2. Insurable Units
3. Actual Production History (APH)
4. Multiple Peril Crop Insurance
5. Income Protection
6. Specific Crops
   a. Sugarbeets
   b. Dry Beans
   c. Malting Barley
7. General Crop Insurance Issues
Crop Insurance Issues

1. If You Insure Irrigated Barley, You Have To Insure Your Dryland Barley
   a. However, They Are Different Contracts

2. IP Only Insures Enterprise Units

3. Usually, Though Not Always, Want to Insure Smaller Units

4. You Pay More For Smaller Units And Lower Deductibles

5. IP Is *Generally* Less Expensive Than MPCI In Higher-Yielding Areas
Crop Insurance Issues

6. Consider Local Feed Barley Price Relative To Your Expectations Of The FCIC IP Harvest Feed Barley Price
   a. May Want To Increase Coverage

7. Why Are You Buying Insurance?
   a. How Much Protection Do You Need?
   b. Trying To Maximize Indemnities May Not Be An Optimal Strategy

8. Compare Premiums And Protection Across Products And Counties
QUESTIONS?