



# Pasture, Rangeland, Forage Pilot Program



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*The Risk Management Agency's (RMA) pilot insurance policy, Pasture, Rangeland, Forage (PRF) is designed to provide insurance coverage on perennial pasture, rangeland or forage acres, based on precipitation (Rainfall Index). This program is designed to help protect a producer's operation from the risks of forage loss due to lack of precipitation. It's not designed to insure against ongoing or severe drought, as the coverage is based on precipitation expected during specific intervals only.*

## Coverage

Rainfall Index PRF is available in the 48 contiguous states with the exception of a few grids that cross international borders.

The Rainfall Index uses National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data and each grid is 0.25 degrees in latitude by 0.25 degrees in longitude, which translates to approximately 17 x 17 miles at the equator. You must select at least two, two-month periods where precipitation is important to your operation. These periods are called index intervals.

Insurance payments are determined by using NOAA CPC data for the grid(s) and index interval(s) you choose to insure. When the final grid index falls below your "trigger grid index" (*expected grid index x coverage level %*), an indemnity may be paid. Notice of loss is not required.

This insurance coverage is for a single peril — lack of precipitation. Coverage is based on the experience of the entire grid. It is not based on individual farms or ranches or specific weather stations in the general area. Policyholders can select a coverage level from 70 to 90 percent.

## Coverage, cont.

You are not required to insure all your acres, but you cannot exceed the total number of grazing or haying acres you operate. The program provides insurance protection while allowing you to insure only those acres that are important to your grazing program or hay operation.

## Tools

You will be asked to make several choices when insuring your grazing or hay production, including coverage level, index intervals, irrigated practice, productivity factor and number of acres. Work with your RCIS crop insurance agent to view the Grid ID Locator map and index grids for your area, and assign acreage to one or more grids based on the location and use of the acreage to be insured.

Your RCIS agent can also help as you make decisions about PRF coverage for your operation, using RCIS mapping and quoting tools.

*RCIS, among the crop insurance leaders, offers crop insurance protection in all 50 states through a national network of about 3,600 professionally trained and licensed agents. Talk to your RCIS agent today about a PRF policy.*

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## Important coverage date

Sales Closing Date: November 15

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## Coverage example

### In this example, the policyholder has:

- Five properties which are covered by a Rainfall Index plan for PRF intended for grazing
- Total of 645 acres, but policyholder chooses to insure 495 acres
- Acreage is spread out over four separate grids (12345, 54321, 67890, 99876)
- 100% share in all the acreage

### The policyholder elected the following:

- 90% coverage level
- 120% productivity factor
- Index interval 628 (April-May) and 631 (July-August)
- 60% of value for index interval 628
- 40% of value for index interval 631

### Insurance protection per acre calculation

\$20.00	County base value per acre
x .90	Coverage level selected
x 1.20	Productivity factor selected
<b>\$21.60</b>	<b>Dollar amount of insurance protection per acre</b>

### Total policy protection

The total protection for the policy is \$10,692, the sum of the policy protection for each unit as outlined below.

Grid ID	Index Interval	Unit	Policy protection per unit
12345	628 (April-May)	0001-0000-0000	$\$21.60 \times 100.0 \text{ acres} \times 60\% \text{ of value} \times 1.00 \text{ share} = \$1,296.00$
	631 (July-Aug)	0005-0000-0000	$\$21.60 \times 100.0 \text{ acres} \times 40\% \text{ of value} \times 1.00 \text{ share} = \$864.00$
54321	628 (April-May)	0002-0000-0000	$\$21.60 \times 50.0 \text{ acres} \times 60\% \text{ of value} \times 1.00 \text{ share} = \$648.00$
	631 (July-Aug)	0006-0000-0000	$\$21.60 \times 50.0 \text{ acres} \times 40\% \text{ of value} \times 1.00 \text{ share} = \$432.00$
67890	628 (April-May)	0003-0000-0000	$\$21.60 \times 100.0 \text{ acres} \times 60\% \text{ of value} \times 1.00 \text{ share} = \$1,296.00$
	631 (July-Aug)	0007-0000-0000	$\$21.60 \times 100.0 \text{ acres} \times 40\% \text{ of value} \times 1.00 \text{ share} = \$864.00$
99876	628 (April-May)	0004-0000-0000	$\$21.60 \times 245.0 \text{ acres} \times 60\% \text{ of value} \times 1.00 \text{ share} = \$3,175.00$
	631 (July-Aug)	0008-0000-0000	$\$21.60 \times 245.0 \text{ acres} \times 40\% \text{ of value} \times 1.00 \text{ share} = \$2,117.00$
<b>Total policy protection:</b>			<b>\$10,692</b>

The example provided above is for informational purposes only. Please refer to your policy for coverage terms. Contact an RCIS crop insurance agent for additional information.

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