



# PRF



## PASTURE, RANGELAND, FORAGE

### Crop Insurance for Ranchers

The lack of rainfall on grazing or hayland can be devastating to a cattle operation. Everything from the forced sale of cattle to increased cost of production can cripple your investment. Ranchers can recoup these lost dollars by participating in the Pasture, Rangeland, Forage (PRF) program.

PRF is an insurance plan that protects against below average rainfall and covers grazing and hayland. The USDA's Risk Management Agency (RMA) subsidizes the premiums for this plan. The program is based upon rainfall data provided by National Oceanic and Atmospheric Administration (NOAA).

Ranchers receive payment from this plan during times of drought to help with the increased cost of feed, lease payments, and restocking herds. PRF can also help compensate hay producers when faced with increased irrigation and input costs from reduced rainfall.

### Key Benefits

- A straightforward and simple plan
- Choose the acreage you want to insure
- Cover 70% to 90% of the calculated average rainfall
- Customize the payment rate per acre for grazing and hayland
- You pay less than 50% of the premium

### Our Commitment to Excellence

With 40 years of industry experience, we take pride in researching and implementing the latest in technology and risk management services for our clients. Through our commitment to excellence, we have become one of the largest crop insurance agencies in the nation. Our specialized agents and customer service staff look forward to working with you. We work hard to keep you growing. Let us show you how!

*Carden & Associates, Incorporated - We keep you growing...*

# PASTURE, RANGELAND, FORAGE

## Description of Coverage

### Current Crop Year

COVERED PERILS	Lack of rain
ELIGIBLE CROPS	Grazing and hayland
COVERAGE BASIS	Rainfall data is compiled for a specific area approximately 12 miles x 12 miles where your farm is located. This area is referred to as a grid. The rainfall data for each grid is measured and stored by the National Oceanic Atmospheric Association (NOAA).
INDEX INTERVALS	Producer selects at least two non-overlapping 2-month time periods where rain is important to the growing operation.
COVERAGE LEVELS	90%, 85%, 80%, 75%, & 70% (Trigger Grid Index)
PROTECTION FACTOR	60-150% (Similar to Price Level)
UNIT DIVISION	Based upon grid ID's  * Non-contiguous acres within the same grid ID will have the same coverage parameters.  * Non-contiguous acres located in different grid ID's can have different coverage parameters.
INDEMNITY CALCULATION	Payment Calculation Factor... Selected Coverage Level* - Calculated Rainfall** Selected Coverage Level*  Indemnity Payment... Payment Calculation Factor x Protection Factor per Unit * Selected Coverage Level is also known as Trigger Grid Index . ** The calculated rainfall index for the year is the Final Grid Index.
IMPORTANT DATES	Sales Closing Date - December 1st Acreage Reporting Date - December 1st
PREMIUM SUBSIDIES	Coverage Level 90% 85% 80% 75% 70% USDA Subsidy 51% 55% 55% 59% 59%
PREMIUM BILLING DATE	September 1st

V.9.2.21

## Loss Example

### Sample County (Polk County, FL - Grid 9192)

Hayland: .....	100 ac
Coverage Level: .....	90
Productivity Factor: .....	150
Base Value/Acre: .....	\$397.00
Amt of Coverage/Acre: .....	\$535.95

Below is a summary of the two best interval options with the highest net gain based on a 10-year history. Our PRF software is designed to help evaluate all interval options to make the best decision for your operation.

Years of Data Reviewed:	10	
Monthly Intervals:	Feb-Mar	Nov-Dec
Total Producer Premium:*	\$30,230	\$32,750
Total Claims Paid:	\$88,164	\$88,045
Net Gain:	\$57,934	\$55,295
Combined Interval/Net Gain:	\$113,229	

*Gross cash outlay by producer on this 10-year history = \$12,596*

\* Based on average premium amounts

## Your Next Steps Toward Peace of Mind

**Determine Acres to Insure:** Individuals can insure all or part of the property they own or lease. FSA Farm Numbers are required to establish acres and ownership/lease.

**Select Coverage Level:** This ranges from 70-90% of average precipitation. The final grid index for a grid must come in below the selected coverage level in order to trigger a payment.

**Identify Protection Factor:** This ranges from 60-150% and allows for individualization based on how productive a property is compared to average property in that county.

**Choose Index Intervals:** These are the specific 2-month intervals during which data is collected in order to calculate the average and final grid indices.

*Contact our agents to insure your grazing and hayland today!*

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