

Crop Insurance

The NCIS Crop Insurance Plan Comparison (CIPC) has been updated for the 2015 crop year and is current as of October 2014. This popular NCIS product is designed for use as a quick reference job aid for crop insurance company personnel, crop insurance agents and producers alike.

The CIPC is a thorough, yet compact list of major crop insurance plans of coverage. It includes a general overview and a side-by-side comparison of the available insurance products which are available on a national or almost-national basis.

Please note that the products and product topics summarized in this chart are NOT all-encompassing and do NOT substitute for the policy provisions. Please refer to the policy provisions and/or contact your company for a complete description of the available coverages and their terms and conditions.

	Yield Protection	Revenue Protection	RP with the Harvest Price Exclusion
Abbreviation-Code	YP – Plan 01	RP – Plan 02	RP HPE – Plan 03
	<p>YP provides protection against a loss in yield due to unavoidable, naturally occurring events. For most crops, that includes adverse weather, fire, insects, plant disease, wildlife, earthquake, volcanic eruption, and failure of the irrigation water supply due to a naturally occurring event. Like the APH (Actual Production History) plan of insurance, YP guarantees a production yield based on the individual producer's APH. Unlike the APH plan of insurance, a price for YP is established according to the crop's applicable commodity board of trade/exchange as defined in the Commodity Exchange Price Provisions (CEPP). The projected price is used to determine the yield protection guarantee, premium, any replant payment or prevented planting payment, and to value the production to count. The coverage and exclusions of YP are similar to those for the APH plan of insurance. An indemnity is due when the value of the production to count is less than the yield protection guarantee. The main crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat.</p>	<p>Revenue protection provides protection against a loss of revenue caused by price increase or decrease, low yields or a combination of both (for corn silage and rapeseed, protection is only provided for production losses). This coverage guarantees an amount based on the individual producer's APH and the greater of the projected price or harvest price. Both the projected price and harvest price are established according to the crop's applicable commodity board of trade/exchange as defined in the Commodity Exchange Price Provisions (CEPP). While the revenue protection guarantee may increase, the premium will not. The projected price is used to calculate the premium and replant payment or prevented planting payment. An indemnity is due when the calculated revenue (production to count x harvest price) is less than the revenue protection guarantee for the crop acreage. Crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat. (Please note the "Maximum Price Movement" for rapeseed and corn silage are on the following pages.)</p>	<p>RP HPE is similar to RP, however RP HPE coverage provides protection against loss of revenue caused by a price decrease, low yields or a combination of both. Unlike RP, the revenue protection guarantee for RP HPE is based on the projected price only and it does not increase based on a harvest price. Crops covered under this plan include barley (includes malting type), canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat.</p>

Editor's Note: We apologize that an incorrect version of this chart was run in the September 2014 issue of Crop Insurance TODAY®. The chart shown here is the most current.

Plan Comparison

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Area Yield Protection	Area Revenue Protection	Area Revenue Protection ^W /Harvest Price Exclusion	Actual Production History
AYP – Plan 04	ARP – Plan 05	ARP-HPE – Plan 06	APH – Plan 90
<p>AYP coverage is based on the experience of the county rather than individual farms. Maintaining the insured's actual production history is now mandatory and may be used by RMA as a data source to establish and maintain the area programs. AYP indemnifies the insured in the event the final county yield falls below the insured's trigger yield. The Federal Crop Insurance Corporation (FCIC) will issue the final county yield in the calendar year following the crop year insured. Since this plan is based on county yields and not individual yields, the insured may have a low yield on their farm and not receive payment under AYP.</p>	<p>Like the other area plans, ARP is based on the experience of the county rather than individual farms. Coverage is provided against loss of revenue due to a county level production loss, a price decline, or a combination of both. Upside harvest price protection is included which increases the policy protection at the end of the insurance period if the harvest price is greater than the projected price and if there is a production loss. ARP will pay a loss when the final county revenue is less than the trigger revenue which is calculated using the higher of the projected price or harvest price.</p>	<p>Like AYP, ARP-HPE is based on the experience of the county rather than individual farms. Maintaining the insured's actual production history is now mandatory and may be used by RMA as a data source to establish and maintain the area programs. An ARP-HPE policy provides protection against loss of revenue due to a county level production loss, price decline, or a combination of both. This plan only uses the projected price and does not provide upside harvest price protection. An indemnity is due under ARP-HPE when the final county revenues published by FCIC are less than the trigger revenue. Since this plan is based on county revenue and not individual revenue, the insured may have a loss in revenue on their farm and not receive payment under ARP-HPE.</p>	<p>APH is the oldest insurance product listed on this comparison. The APH plan of insurance provides protection against a loss in yield due to nearly all natural disasters. For most crops, that includes drought, excess moisture, cold and frost, wind, flood and unavoidable damage from insects and disease. Like YP, the APH plan of insurance guarantees a yield based on the individual producer's actual production history. Unlike YP, the available price elections are established by the Risk Management Agency. An indemnity is due when the value of the production to count is less than the liability. Of the small grain crops, only oats, rye, flax, and buckwheat remain covered under the APH plan of insurance for the 2015 crop year.</p>