

CLAIM EXAMPLE

Based on expected Jumbo+ production of 80 percent:

533 cwt / acre APH	Production
400 cwt / acre guarantee (75 percent guarantee)	Colossal: 9 cwt
426 cwt Jumbo + target (80 percent Jumbo+)	Jumbo: 89 cwt
Actual US No. 1 Harvested = 350cwt	Medium: 245 cwt
	Small: <u>7 cwt</u>
	Total 350
Actual % Jumbo + = 98 cwt / 350 cwt =28 percent	Jumbo + 98

The insured has production of 350 cwt per acre, which is 50 cwt per acre below the production guarantee. In this example, the portion of the onions sizing jumbo and larger (Jumbo+) is equal to 28 percent. Subtracting 28 percentage points from the expected 80 percent gives a difference of 52 percentage points. The resulting 52 is then multiplied by 0.6 to yield 31.2 percentage points. The grower's actual total yield, 350 cwt is multiplied by 0.312 (31.2 percent), resulting in 109.2 cwt. The 109.2 hundred weight is then entered into the loss calculation as follows:

"Quality Enhanced" Production Loss	
400 cwt guarantee	
<u>-350</u> cwt harvested production	
50 cwt production shortfall	
<u>+109.2</u> cwt quality reduction	Guarantee - Deficiency = Production
159.2 cwt / acre deficiency	400 cwt -159.2= 240.8 cwt
<u>x \$4.50</u> Price Election (Oregon Spring Planted Yellows CY 2001)	
\$716.40 Indemnity versus an indemnity of \$225.00 without Quality Enhancement	

Production to count = 1 minus [(0.800 minus 0.280) multiplied by 0.60] multiplied by 350 (cwt) = 240.8 cwt.

STRING CALCULATION

1-((0.80-0.28)*0.60)*350 = 240.8 cwt

STEP BY STEP CALCULATIONS

- 0.80-0.28=0.52
- 0.52*0.60=0.312
- 1-0.312=0.688
- 350*0.688 = 240.8

CONTACT YOUR CROP INSURANCE AGENT TODAY!!

DISCLAIMER: This summary is for general illustration purposes only.
Detailed Information: Producers should consult their crop insurance agent to obtain specific information and refer to Crop Provisions and Actuarial Materials (e.g., practices, options, planting dates, and appropriate deadlines).
Advantages as Risk Management Tools: Protects crop investment, borrowed capital and current savings. Provides a favorable credit rating, collateral and guaranteed production. Stabilizes income, transfers risk and **provides an ADDED PEACE OF MIND.**
Where to Purchase: All MPCI, including CAT coverage insurance policies are available from private insurance agents. A list of crop insurance agents is available at local USDA Service Centers.

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