



# Adjusted Gross Revenue-Lite: A Whole Farm Revenue Insurance Available in Wyoming



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**Objective Analysis**  
**For Informed**  
**Decision Making**

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## An Overview

Adjusted Gross Revenue-Lite (AGR-Lite) is a federally-subsidized whole-farm revenue protection insurance plan. The plan is a whole farm (ranch) revenue insurance that covers revenue losses from most farm-raised crop commodities, animal commodities and unprocessed (unaltered) animal products such as milk and wool. The plan protects against low revenue due to losses in production and declines in product quality and market price. Specifically, the plan provides protection against low revenue due to production losses attributable to unavoidable natural disasters and market fluctuations that impact farm revenue in the insurance year.

The underlying AGR-Lite concept has three elements: (1) it uses a producer's five-year historical farm average adjusted gross revenue, as derived from Internal Revenue Service (IRS) income tax returns (Schedule F or equivalent) and an Annual Farm Report as the base to provide a revenue guarantee for the insurance period; (2) it uses one insurance product to provide insurance coverage for multiple agricultural commodities; and (3) it uses revenue as the common denominator for all agricultural commodities that are insurable.

AGR-Lite is offered in all Wyoming counties. Commodities contributing to farm revenue that may be covered by this plan vary within Wyoming by rating regions 3, 4 and 6 (See Appendix B, Figure B-1).

AGR-Lite provides farm-specific revenue insurance that can cover most commodities produced on Wyoming farms and ranches, including several commodities that are not insurable with other federally-subsidized insurance plans in Wyoming or elsewhere. Revenue history and insurance coverage are based on an individual producer's yields, product quality and marketing history. As AGR-Lite is based on individual farm or ranch history, revenue calculations will recognize local market prices that may be different and possibly higher than national average prices, high value varieties that bring a premium to the average market price and products produced in a way that they may bring a premium (for example through certified organic

production). AGR-Lite provides individual revenue protection based on producers' own yield, quality, cost and price histories.

AGR-Lite protects against loss of revenue due to any unavoidable natural occurrences or due to market fluctuations that cause a loss of revenue during the insurance year. The plan provides protection against loss of revenue due to most unavoidable natural occurrences, including but not limited to adverse weather, fire, insects, disease, wildlife, earthquakes, volcanic eruption, or failure of irrigation supply that causes production losses. No insurance payments will be made for losses that occur due to negligence, mismanagement, failure to use good farming practices, theft, or mysterious disappearance. Additionally there will be no indemnification if losses occur due to a lack of labor, crop abandonment, or bypassing of acreage.

On the marketing side, no AGR-Lite insurance payments will be made to producers due to their inability to market commodities because of quarantines, boycotts, or failure of buyers to make payments for commodities to producers. Losses due to an operator's failure to obtain a price for any commodity that is reflective of the local market value will not be indemnified.

Procedurally, if a producer fails to provide adequate records when seeking indemnification for revenue losses, payments for losses will not be made.

AGR-Lite may be used as a stand-alone insurance plan. It may also be used as an umbrella plan over other Risk Management Agency (RMA) insurance plans, such as multiple peril insurance plans for crops based on each individual's actual production history and group plans that address production or revenue risks, and livestock insurance plans that address price risk. When used as an umbrella plan, AGR-Lite premiums are reduced because other RMA insurance plans have the primary liability for crop specific and livestock specific losses.

Several terms take on specific definitions when used in AGR-Lite insurance plan. Two key terms are ***Adjusted Gross Revenue*** and ***Allowable Expenses***. Both are defined by excluding certain revenue and expenses categories reported on IRS

income tax returns for the calculation of taxable farm income.

**Adjusted Gross Revenue** is derived from historical IRS income tax returns using Schedule F or its equivalent. Excluded from revenue reported for income tax purposes to derive allowable income for specifying **Adjusted Gross Revenue** are (1) cooperative distributions not tied to the commodities insured, (2) agricultural program payments, (3) crop insurance indemnities and federal disaster program payments, (4) custom hire income and (5) income attributable to post-harvest value added activities.

**Allowable Expenses** are also determined from historical IRS income tax forms. Excluded from expenses reported for income tax purposes to derive **Allowable Expenses** are (1) depreciation costs (except for animals), (2) employee benefits including pensions and profit sharing, (3) interest costs, (4) rents paid, and (5) post-harvest costs including those associated with value-added production.

## Making Application for AGR-Lite

Producers who use AGR-Lite to insure a certain level of adjusted farm or ranch income must provide historical revenue and expense information, a revenue and expense plan for the insurance year, and, if they select a high coverage percentage level, commodity profiles for the two years prior to the insurance year.

Producers are required to provide five years of income and expense information from their IRS income tax returns, Schedule F or equivalent, and “certify” that information is accurately reported. Producers are expected to use the **AGR-Lite Histories Worksheet** (see Appendix A for this and other AGR-Lite forms) to summarize **allowable income** and **allowable expenses** by transferring information from IRS income tax forms and excluding revenue and expense items not considered under AGR -Lite.

**Allowable income** categories are specified on the **AGR-Lite Histories Calculation Worksheet**. Entries in IRS Schedule F, Part I lines 5a, 6a and 6b, 8, and 9 are excluded from **allowable income** on this worksheet (See below).

**Part I Farm Income—Cash Method.** Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 11.)  
Do not include sales of livestock held for draft, breeding, sport, or dairy purposes. Report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale . . . . .	1				
2	Cost or other basis of livestock and other items reported on line 1 . . . . .	2				
3	Subtract line 2 from line 1 . . . . .				3	
4	Sales of livestock, produce, grains, and other products you raised . . . . .				4	
5a	Cooperative distributions (Form(s) 1099-PATR) . . . . .	5a			5b	Taxable amount
6a	Agricultural program payments (see page F-3) . . . . .	6a			6b	Taxable amount
7	Commodity Credit Corporation (CCC) loans (see page F-3):					
a	CCC loans reported under election . . . . .				7a	
b	CCC loans forfeited . . . . .	7b			7c	Taxable amount
8	Crop insurance proceeds and federal crop disaster payments (see page F-3):					
a	Amount received in 2007 . . . . .	8a			8b	Taxable amount
c	If election to defer to 2008 is attached, check here <input type="checkbox"/> . . . . .				8d	Amount deferred from 2006
9	Custom hire (machine work) income . . . . .				9	
10	Other income, including federal and state gasoline or fuel tax credit or refund (see page F-3) . . . . .				10	
11	<b>Gross income.</b> Add amounts in the right column for lines 3 through 10. If you use the accrual method, enter the amount from Part III, line 51 . . . . .				11	

After income is entered by year into the **AGR-Lite Histories Calculation Worksheet** by income category, the income reported by category is summed for each year to provide *allowable income*. The five years of *allowable income* are summed to provide the *5-Year Total Adjusted AGR*. The *5-Year Average Preliminary Adjusted AGR* is calculated as the simple average.

*Allowable expenses* on the **AGR-Lite Histories Calculation Worksheet** are arrived at as the residual by first recording the information contained

on line 35 on IRS Schedule F, Part II on the **AGR-Lite Histories Calculation Worksheet** and then transferring expenses from lines 16, 17, 23a, 23b, 25, 26a, 26b, 29, 31, and 34 on IRS Schedule F, Part II (See Below) to the **AGR-Lite Histories Calculation Worksheet** and subtracting these expense items from line 35. *Allowable expenses* for each tax year are totaled to provide the *5-Year Total Adjusted Expenses* and the simple average calculated to specify the *5-Year Average Preliminary Adjusted Expenses*.

**Part II Farm Expenses—Cash and Accrual Method.**

Do not include personal or living expenses such as taxes, insurance, or repairs on your home.

12	Car and truck expenses (see page F-4). Also attach <b>Form 4562</b> . . .	12		25	Pension and profit-sharing plans . . . . .	25	
13	Chemicals . . . . .	13		26	Rent or lease (see page F-6):		
14	Conservation expenses (see page F-4) . . . . .	14		a	Vehicles, machinery, and equipment . . . . .	26a	
15	Custom hire (machine work) . . . . .	15		b	Other (land, animals, etc.) . . . . .	26b	
16	Depreciation and section 179 expense deduction not claimed elsewhere (see page F-5) . . . . .	16		27	Repairs and maintenance . . . . .	27	
17	Employee benefit programs other than on line 25 . . . . .	17		28	Seeds and plants . . . . .	28	
18	Feed . . . . .	18		29	Storage and warehousing . . . . .	29	
19	Fertilizers and lime . . . . .	19		30	Supplies . . . . .	30	
20	Freight and trucking . . . . .	20		31	Taxes . . . . .	31	
21	Gasoline, fuel, and oil . . . . .	21		32	Utilities . . . . .	32	
22	Insurance (other than health) . . . . .	22		33	Veterinary, breeding, and medicine . . . . .	33	
23	Interest:			34	Other expenses (specify):		
	a Mortgage (paid to banks, etc.) . . . . .	23a		a	.....	34a	
	b Other . . . . .	23b		b	.....	34b	
24	Labor hired (less employment credits) . . . . .	24		c	.....	34c	
				d	.....	34d	
				e	.....	34e	
				f	.....	34f	
35	<b>Total expenses.</b> Add lines 12 through 34f. If line 34f is negative, see instructions . . . . .					35	
36	<b>Net farm profit or (loss).</b> Subtract line 35 from line 11. <ul style="list-style-type: none"> <li>• If a profit, enter the profit on <b>Form 1040, line 18</b>, and also on <b>Schedule SE, line 1</b>. If you file Form 1040NR, enter the profit on <b>Form 1040NR, line 19</b>.</li> <li>• If a loss, you <b>must</b> go to line 37. Estates, trusts, and partnerships, see page F-6.</li> </ul>					36	
37	If you have a loss, you <b>must</b> check the box that describes your investment in this activity (see page F-7). <ul style="list-style-type: none"> <li>• If you checked 37a, enter the loss on <b>Form 1040, line 18</b>, and also on <b>Schedule SE, line 1</b>. If you file Form 1040NR, enter the loss on <b>Form 1040NR, line 19</b>.</li> <li>• If you checked 37b, you <b>must</b> attach <b>Form 6198</b>. Your loss may be limited.</li> </ul>					37a	<input type="checkbox"/> All investment is at risk.
						37b	<input type="checkbox"/> Some investment is not at risk.

Each insurance year producers will work with their insurance agents to report for each revenue-generating commodity the acres (or head, number, etc.) to be produced, the total production expected (i.e., acres times yield per acre), the expected sales price per unit of output, and the total value of each commodity. In this process, care should be taken to distinguish expected yields and expected prices by class of commodity. For instance, a row crop farmer would report separately the expected yields and expected prices of seed and processing potatoes. Likewise, a cash grain farmer would report separately the expected yields and expected prices of durum and dark northern spring wheat. This information is recorded on the **Annual Farm Report**. Total value estimates for the commodities are summed to provide *Total Expected Income*. For producers who use forms or software provided by an Extension Service or a lender to estimate income for the coming year, the estimated income procedure is often part of crop and livestock plans.

Producers selecting higher coverage level percentages will also be required to submit commodity profiles for the two years prior to the insurance year. These profiles will denote the commodities (crop and livestock) produced including field locations, production levels, market types used and percent of marketings by type of market, and notes about production practices such as organic, irrigated, etc. For livestock commodities, reporting will be by groups such as spring-calves feeder cattle sold at weaning and feeder cattle retained and sold as long-yearlings, etc. This information will be summarized on the **Agricultural Commodity Profile**.

### Application Information

For a Wyoming farming operation a producer (intended insured) submitted the following information for entry into the **AGR-Lite Histories Calculation Worksheet**:

Year	Allowable Income	Allowable Expenses
2002	\$100,000	\$89,000
2003	110,000	95,000
2004	134,000	93,500
2005	120,600	95,000
2006	145,000	107,200
Total and 5-Year Average	\$609,600/5 = \$121,920	\$479,700/5 = \$95,940

The producer submitted the following 2008 production year information for entry into the **Annual Farm Report**:

Commodity	Acres	Yield/Acre	Expected Value	Total Value
Barley	200	100 bushels	\$2.40/bushel	\$48,000
Corn	200	150 bushels	\$2.50/bushel	75,000
Alfalfa (for hay)	200	4 tons	\$70.00/ton	56,000
Total Acres and Total Expected Income	600	XXX	XXX	\$179,000

The producer was undecided about the level of coverage that might be selected. Production information for the last two tax years was submitted for entry into an **Agricultural Commodity Profile**, a necessary step if the producer were to choose a higher level of coverage.

Commodity or Code	Tax Year 2005	Tax Year 2007
Barley—0856	200 acres, irrigated and sold on cash market	200 acres, irrigated and sold on cash market
Corn—1001	200 acres, irrigated and sold on cash market	200 acres, irrigated and sold on cash market
Alfalfa—0850	200 acres, irrigated and sold on cash market	200 acres, irrigated and sold on cash market

An example using the AGR-Lite forms provided by RMA is fully discussed in Appendix A, *Detailed Cash Grain Farm Example*.

### Adjustments to Adjusted Gross Revenue Information

Using terminology employed in the **Annual Farm Report**, an **Indexed Average AGR (Indexed Income)** value can be calculated for an operation with annual adjusted gross revenues that are increasing. This may increase the effectiveness of the insurance coverage. To qualify for indexing (1) allowable **income** in at least one of the two most recent years in the base period must be greater than the **Average AGR** and (2) the insurance year's **Total Expected Income** must be greater than the **Average AGR**.

The **Indexed Income** is calculated as follows:

(1) Divide each year's allowable income by the preceding year's allowable income and round to three decimal places. (These year-to-year ratios may range considerably, but the lowest value that can be included for calculation purposes is 0.80 and the greatest value that can be included for calculation of the average ratio is 1.20).

(2) Sum the ratio calculations and divide by 4, and round the quotient (or the average ratio) to three decimal places. The minimum allowed value is 1.000. The quotient is multiplied by itself three times to produce the **income trend factor** (Sometimes this is referred to as the **income index**). So the **income trend factor** = (average ratio) x (average ratio) x (average ratio) x (average ratio).

(3) The **income trend factor** is multiplied by the **Average AGR** and rounded to the nearest dollar.

This procedure is illustrated:

Year	Allowable Income	Calculation	Ratio
2002	\$100,000	-----	-----
2003	110,000	110,000/100,000	1.100
2004	134,000	134,000/110,000	1.218 limited to 1.20
2005	120,600	120,600/134,000	0.90
2006	145,000	145,000/120,600	1.202 limited to 1.20
Total and Average	\$609,600/5 = \$121,920	-----	4.40/4 = 1.10

The **income trend factor** = 1.10 x 1.10 x 1.10 x 1.10 = 1.464.

**Indexed Income** = \$121,920 x 1.464 = \$178,490.

### Approved Adjusted Gross Revenue

With the information from the **Annual Farm Report**, and the indexing of the adjusted gross revenue, if warranted, an **Approved AGR** is determined by using the following selection criterion:

**Approved Gross Revenue** is the **lesser** of:

1. The **Average AGR** or the **Indexed Average AGR (Indexed Income)**, if applicable (as taken from the **Annual Farm Report**); or
2. The **Total Expected Income** (as taken from the **Annual Farm Report**).

From the information provided for this example farm, indexing was warranted. The **Indexed Income** was \$ 178,490. And the **Total Expected Income** was \$ 179,000. Selecting the lesser of these two values, the **Approved AGR** is \$178,490.

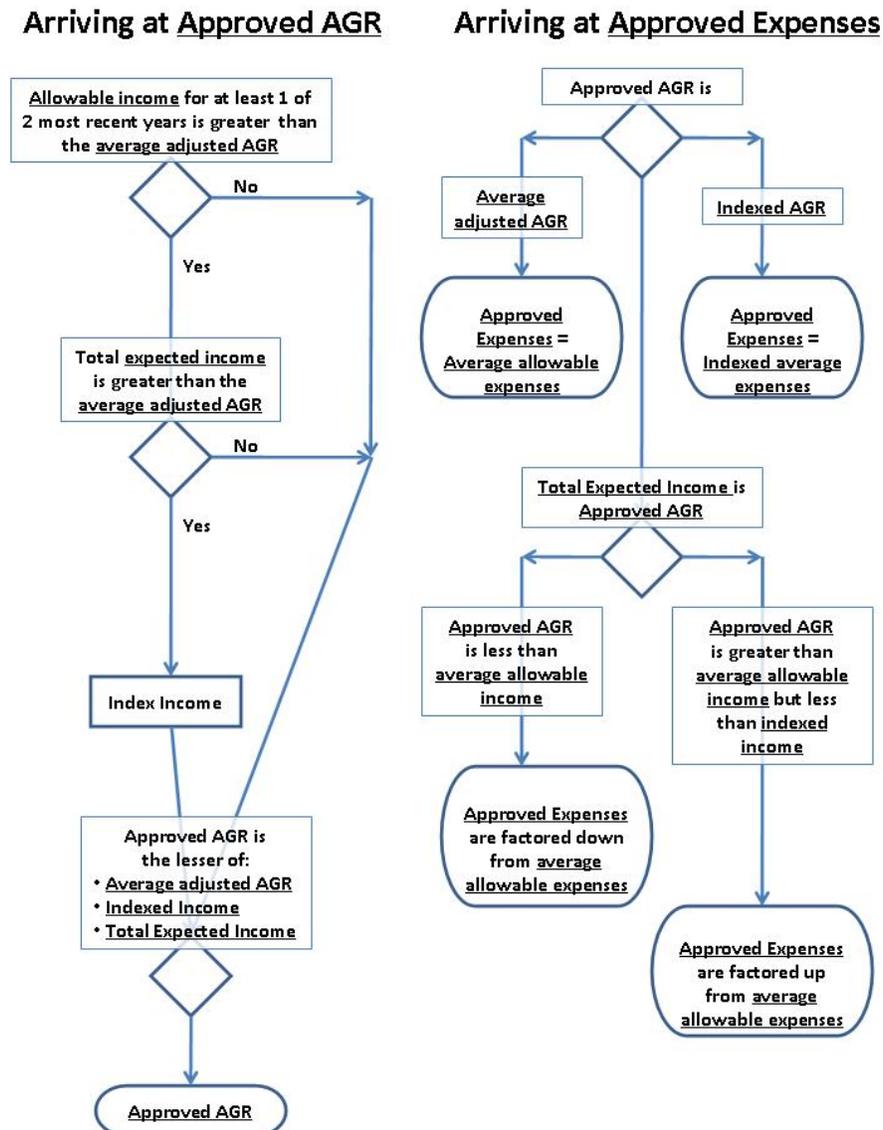
**Approved Expenses**

**Approved Expenses** are dependent on what adjusted gross revenue value becomes the **Approved AGR**. Using terminology from the **Annual Farm Report**, **Approved Expenses** are specified as one of the following:

1. **Approved Expenses** are the **Average Allowable Expenses** if the **Approved AGR** is the **Average Allowable Income**; or
2. **Approved Expenses** are **Indexed Average Expenses** derived through an “indexing” procedure if the **Approved AGR** is **Indexed Income**; or

3. **Approved Expenses** are derived through “factoring down” of **Average Allowable Expenses** if **Approved AGR** is less than **Average Allowable Income**; or
4. **Approved Expenses** are derived through “factoring up” **Average Allowable Expenses** if **Approved AGR** is greater than **Average Allowable Income** but less than **Indexed Income**.

**Figure 1: Approved AGR and Approved Expenses**



These specifications for *Approved Expenses* indicate that their determination may be by direct assignment, indexing or factoring down or up. So the issue becomes how to make these determinations operational?

If the *Approved AGR* is the *Average Allowable Income*, *Approved Expenses* are the *Average Allowable Expenses* recorded in the Adjusted Gross Revenue (AGR) Report section of the **Annual Farm Report**.

If the *Approved AGR* is the *Indexed Income*, then indexing is required to obtain the *Approved Expenses*. The Expense indexing procedure is illustrated as follows:

- (1) Divide each tax year's allowable expenses by the preceding year's allowable expenses (results are rounded to three decimal places with the lowest value included for calculation of the average ratio being 0.80 and the highest value being 1.20);
- (2) Total the four ratios derived in the first step;
- (3) Divide the total obtained in the second step by 4;
- (4) To obtain the *Expenses Index Factor*, multiply the average ratio (quotient) derived in the third step by itself three times—(average ratio) x (average ratio) x (average ratio) x (average ratio);
- (5) Multiply the *Expenses Index Factor* times the *Average Allowable Expenses* to obtain the *Indexed Average Expenses*.

Consider an example to illustrate this procedure. Steps 1 and 2 are as follows:

Year	Expenses	Calculation	Ratio
2002	\$89,000	-----	-----
2003	95,000	95,000/89,000	1.067
2004	93,500	93,500/95,000	0.984
2005	95,000	95,000/93,500	1.016
2006	107,200	107,200/95,000	1.128
Total and Average	\$479,700/5 = \$95,940	-----	4.195/4 = 1.049

The *Expenses Index Factor* = 1.049 x 1.049 x 1.049 x 1.049 = 1.211.

The *Indexed Average Expenses* = \$95,940 x 1.211 = \$116,183.

If the *Approved AGR* is less than *Average Allowable Income*, then *Average Allowable Expenses*, as specified in the **Annual Farm Report**, must be “factored down” to obtain *Approved Expenses*. (Note that “factoring down” is not the same procedure as “indexing”). Assume for illustration that *Average Allowable Income* is \$100,000, the *Average Allowable Expense* is \$70,000, and *Total Expected Income* is \$ 80,000. The *Approved AGR* is \$80,000. Then, “factoring down” *Approved Expenses* = (\$80,000/\$100,000) x (\$70,000) = \$56,000.

Finally, if the *Approved AGR* is greater than the *Average Allowable Income*, but less than the *Indexed Income*, “factoring up” is required to arrive at *Approved Expenses*. (Note that “factoring up” is not the same procedure as “indexing”). Consider a situation where the *Average Allowable Income* is \$100,000, the *Indexed Income* is \$120,000, the *Total Expected Income* is \$110,000 and the *Approved AGR* and the *Average Allowable Expenses* are \$90,000. Then “factoring up” *Approved Expenses* = (\$110,000/\$100,000) x (\$90,000) = \$99,000.

## Producer Decisions under AGR-Lite

Once an *Approved AGR* has been established and the consequent *Approved Expenses* are determined, the farm manager has two decisions to make relative to AGR-Lite.

Producers must select a *coverage level percentage*. Producer choices are 65, 75, and 80 percent of the *Approved AGR*. In part, the coverage level percentage that may be selected is contingent on the number of commodities included in the **Annual Farm Report** (Table 1).

**Table 1: Coverage Percentages, Payment Rates, and Minimum Commodity Numbers**

Coverage Level (percent)	Payment Rate (percent)	Minimum Number of Commodities
65	75	1
65	90	1
75	75	1
75	90	1
80	75	3
80	90	3

For a producer to obtain the highest *coverage level* there must be at least three commodities that each contributes a significant portion of total income. Significant portion =  $1/\text{number of commodities in the Annual Farm Report} \times 0.333 \times \text{Total Expected Income}$ . Consider an example where there are five commodities and *Total Expected Income* = \$346,110. Significant portion =  $1/5 \times 0.333 \times \$346,110 = \$23,050$ . Therefore, at least three of the five commodities must have an income of \$23,050 or greater to enable the producer to select the 80 percent *coverage level*.

A producer must also select a *payment rate* of 75 or 90 percent and either is available at all coverage level percentages.

These decisions result in one coverage level percentage/payment rate combination to cover all commodities included in the **Annual Farm Report**.

Once a producer selects a *coverage level percentage*, then in the terminology of the policy, a *Loss Inception Point* or, in the terminology used in the RMA premium calculator, a *Trigger Level* may be specified as:  $\text{Loss Inception Point} = \text{Trigger Level} = \text{Approved AGR} \times \text{coverage level percentage}$ .

Loss payments (insurance indemnities) are due to a producer/insured when *Total Income*, as specified on the **Actual Commodity Report**, is less than *Trigger Level* for the insurance year. The *Trigger Level* identifies where indemnity payments will begin.

Joint application of the coverage level percentage and the payment rate determines the maximum liability under AGR-Lite and is termed *AGR-Liability* in policy terminology and *Coverage* in the terminology used in the RMA premium calculator. *Coverage* is specified as:  $\text{AGR-Liability} = \text{Coverage} = \text{Approved AGR} \times \text{coverage level percentage} \times \text{payment rate}$ .

Under AGR-Lite the maximum liability is limited to \$1,000,000. Effectively this limits the maximum annual income that may be covered under each coverage level percentage/payment rate percentage combination. The maximum annual income at any coverage level/payment rate combination is \$1,000,000 divided by the product of these percentages, expressed as a decimal (Table 2).

Coverage Level (percent)	Payment Rate (percent)	Maximum Annual Income
65	75	\$2,051,282
65	90	1,709,401
75	75	1,777,777
75	90	1,481,481
80	75	1,666,667
80	90	1,388,889

## AGR-Lite Premium Calculations

Premiums for AGR-Lite are based on a producer's coverage, where **Coverage = Approved AGR x coverage level percentage x payment rate**. When AGR-Lite is used as an umbrella policy, other RMA-approved insurance coverage liabilities are subtracted from **Coverage** up to 50 percent of **Coverage**. The revised liability is considered the **Premium Liability**. Other RMA-approved insurance products are considered primary and reduce the liability AGR-Lite and likewise AGR-Lite premiums.

Premium calculations are:

**Total Premium = Premium Liability x AGR Rate**  
**Subsidy Amount = Total Premium x Subsidy Rate**  
**Producer Premium = Total Premium - Subsidy Amount**

The **AGR Rate** is calculated from diversification factors based on the number of commodities contributing to the **Approved AGR** and the individual commodity ratings weighted by their proportions of the **Approved AGR**.

**AGR Rates** may vary for the same crop across rating regions; vary by crop within the same rating region, and vary by the number of crops included in the **Annual Farm Report**. AGR Rates may be determined through producer/insured consultations with insurance agents and by referencing the premium calculator available on the RMA web site: [www.rma.usda.gov](http://www.rma.usda.gov).

**Table 3: Premium subsidy rates vary by coverage level percentages**

<b>Coverage Level</b> (percent)	65	75	80
<b>Subsidy Rate</b> (percent)	59	55	48

## AGR-Lite Indemnity Process

When producers realize that their **allowable income** is likely to fall below their **Trigger Level**, they should notify their insurance agents. Guidance will be provided for documenting an actual loss.

When an actual loss is incurred, a producer must submit an **Actual Commodity Report**. In this report, the producer/insured records the acres (head, etc.) produced and harvested, total production of each commodity, price per unit of product sold, and the total value of each commodity. Total values of all commodities are summed to provide **Total Income**. Additionally, the producer/insured must submit IRS income tax returns for each of the previous five years and for the current tax year.

**Actual expenses** for the insurance year are determined from IRS income tax forms. But some accrual adjustments may be needed. If a producer inventories inputs such as commercial fertilizer from year to year, the producer will reduce **actual expenses** by the calculated difference when there is a positive difference between the values of the ending inventory of inputs less the beginning inventory value of purchased inputs. The producer will increase **actual expenses** by the calculated difference when there is a negative difference between the ending value less the beginning value. Similarly, a producer may need to adjust actual expenses due to changes in the accounts payable account. If the ending accounts payable exceeds the beginning accounts payable, the difference is added to **actual expenses**—and vice versa.

When insurance year **actual expenses** are below 70 percent of their five year average, the **Approved AGR** will be reduced by a tenth of one percent for each tenth of one percent the **actual expenses** are below 70 percent of **allowable expenses**. The **Trigger Level** is then re-calculated as: **Trigger Level = Adjusted AGR** (for expense reductions) x **coverage level percentage**.

The **Trigger Level** is reduced by **Revenue to Count** that includes allowable income from the sale of covered commodities, crop insurance indemnities, NAP payments, income lost due to non-insured causes, net gains from hedging, and changes in balances of accounts receivable and inventories of agricultural commodities held for sale. The following accrual adjustments may be needed with positive differences added to and negative differences subtracted from **Revenue to Count**:

1) Dollar amount of ending accounts receivable less beginning accounts receivable; and

(2) Dollar amounts reflecting the value of ending inventories of agricultural commodities available for sale less their beginning inventory values.

After **Revenue to Count** has been fully identified, the **Revenue Deficiency** is calculated as  
**Revenue Deficiency = Trigger Level - Adjusted Revenue to Count.**

The **Indemnity** is calculated as: **Indemnity = Revenue Deficiency x payment rate.**

The **payment rate** will determine how much the producer/insured will receive for each dollar of revenue the producer is deficient for the insurance year. In other words, a producer will be paid 75 cents or 90 cents for each dollar of revenue that is deficient, depending on the selected **payment rate.**

### AGR-Lite Example

Consider a producer farming in Platte County, Wyoming who has a \$130,000 **Approved AGR** that is all irrigated barley with adjusted gross revenue covered under AGR-Lite at the 65 percent **coverage level** and a 75 percent **payment rate.**

[Readers may wish to refer to a more detailed example included in Appendix A that uses the RMA-provided data collection forms].

This producer carries no multiple peril crop insurance on the irrigated barley. The contract data and calculations for this producer are summarized.

Contract Data	Value	Calculation
Approved AGR	\$130,000	producer and insurance company
Approved Expenses	\$100,000	producer and insurance company
Coverage Level	65 %	producer, one commodity 65 or 75 %
Payment Rate	75 %	producer, 75 or 90 %
Trigger Level	\$84,500	\$130,000 x 0.65
Coverage	\$63,375	\$84,500 x 0.75

But there is a premium cost that is incurred plus a \$30 administrative fee that must be paid. Premium calculations for this example farm are shown.

Contract Data	Value	Calculation
Premium Liability	\$63,375	no reduction due to other insurance coverage
AGR Rate	0.092	established by RMA, by crop and region
Total Premium	\$5,831	\$63,375 x 0.092
Subsidy Amount	\$3,440	\$5,831 x 0.59
Producer Premium	\$2,391	\$5,831 - \$2,391

After harvest of saleable production and adjustments to inventory, etc., the producer has **Revenue to Count** of \$25,000. Additionally, the producer's IRS income tax form for the insurance year reported only \$68,000 in **actual expenses.**

The producer will receive an indemnity because the **Revenue to Count** is less than the **Trigger Level.** But **actual expenses** are less than 70 percent of **approved expenses.** So adjustments must be made to the **Approved AGR** and the **Trigger Level.**

The expense adjustments are:

$$\begin{aligned} \$68,000/\$100,000 &= 0.68 \\ 0.70 - 0.68 &= 0.02 \end{aligned}$$

$$\begin{aligned} \text{Approved AGR of } \$130,000 \times 0.02 &= \$2,600 \\ \text{Adjusted AGR} &= \$130,000 - \$2,600 = \$127,400 \end{aligned}$$

$$\text{Then the Adjusted Trigger Level} = \$127,400 \times 0.65 = \$82,810.$$

$$\text{The Revenue Deficiency} = \$82,810 - \$25,000 = \$57,810.$$

$$\text{The Indemnity} = \$57,810 \times 0.75 = \$43,358.$$

### AGR-Lite Summary

Wyoming farm and ranch managers previously had RMA-approved individual and group insurance products available to insure against production and revenue losses for most crop commodities.

Additionally, RMA products were available to insure against downside livestock price risk. These RMA-approved products continue to be available. Now Wyoming producers also have AGR-Lite, an insurance product that provides for guaranteed gross revenue for an entire farm or ranch. This insurance is available in all Wyoming counties. The counties are grouped onto three risk regions (See Appendix B for crops covered by risk region within Wyoming).

AGR-Lite allows for the inclusion in adjusted gross income from most of the farm and ranch grown crop and animal commodities and (unaltered) animal products such as milk and wool. Specific commodities by risk region that may be included in adjusted gross revenue are available from crop insurance agents or from the RMA web site:

[www.rma.usda.gov](http://www.rma.usda.gov)

## APPENDIX A: CASH CROP FARM EXAMPLE

I. M. Insured has 600 acres of irrigated cropland near Goatabowl, Wyoming in Platte County. His crop rotation involves barley, corn for grain and alfalfa hay. I. M. has historically used multiple peril crop insurance on only his barley, so he is interested in looking at AGR-Lite as an insurance product providing downside adjusted gross revenue protection for his entire farm.

I. M. works with insurance agent U. R. Stuck to provide some basic information about the revenue and expense history of his farm and an indication of what I. M. will likely produce in the insurance year. As he is uncertain about what level of coverage he might select if he purchases AGR-Lite, his agent suggests that I. M. provide detailed descriptions of commodities produced in the two years prior to the insurance year.

With his agent's assistance, I. M. completes an **Annual Farm Report**, an **AGR-Lite Histories Calculation Worksheet**, and an **Agricultural Commodities Profile**. These completed forms are included for reference.

Once this information was available to the insurance agent, the RMA premium calculator available at [www.rma.usda.gov](http://www.rma.usda.gov) is used to estimate premiums.

I. M., from a booklet that his agent provided, understood that he would be indemnified if he suffered revenue losses due to insurable causes if his farm's adjusted gross revenue dropped below a certain level. But what was not readily apparent to him was how the premium was calculated, even after reviewing the detailed premium calculation worksheets.

So I. M. and his agent outlined the premium calculation procedure so that they could follow it in the future. First they looked at the upper portion of the **Premium Calculation Detail Worksheet for AGR**.

They note that the *Coverage Level* and *Payment Rate*, as chosen by I. M., and the *MPCI Liability* for the barley coverage are entered on lines, F, G, and H with the *Allowable Income* for the five previous entered on lines A through F. Line I, *Total Commodities*, represents the total number of commodities reporting planned sales for the farm/ranch. The *Commodity Code* is a RMA code that pertains to a particular crop in the **Annual Farm Report**. *Revenue* is *Total Expected Income* from the Intended Commodity Report Section of the **Annual Farm Report**. The *Whole Farm Rate*, the *Subsidy Rate* and the *Cost Share* are determined by the calculator. The *Whole Farm Rate* is the RMA-approved premium rate set for a commodity in a rating region.

AGR-LITE HISTORIES CALCULATION WORKSHEET					A. IRS Accounting Method?	B. Insurance Year	
October 2007 AGR-Lite					Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>	2008	
C. PRODUCER INFORMATION		Type of Tax Entity:	D. AGENCY INFORMATION		E. State(s)	F. Was any listed commodity also to be insured under another insurance policy? If yes, list the commodity(ies) and contract number(s).	
I.M. Insured		Sole Proprietorship	U.R. Stuck, Agent Phone Number: (308) 123-4567		WY-56 County(ies) 031-Platte	Barley, 0091 Coverage: \$187,00/ acre = \$37,400	
Phone Number:	SSN:	EIN:	Policy No:	Agent's Code:			
INFORMATION FROM 5 YEARS OF TAX FORMS 1040F							
Part I Income			G. Tax Years -----				
1040F line#	Description from IRS form 1040F		2002	2003	2004	2005	2006
3	Sales of commodity bought for resale (less cost or basis):						
4	Sales of livestock, produce, grains, & other products you raised/grew:	100,000	110,000	134,000	120,600	145,000	
5b	Taxable amount of coop. distributions from insurable commodities:						
7a	CCC loans reported under election:						
7c	CCC loan forfeitures; taxable amount:						
10	*Other income:						
H.	<b>Allowable income</b> (total lines 3 through 10):	100,000	110,000	134,000	120,600	145,000	
I.	<b>Indexing calculation (if Applicable):</b>		1,100	1,200	0.900	1,200	
* Only include direct income from ag commodities required by IRS including bartering, processor payments for bypassed, unharvested acreage, federal and state diversion, set-aside, marketing order and other such payments, etc.			J. 5-Year Total Adjusted AGR: 609,600				
			K. 5-Year Average Preliminary Adjusted AGR: 121,920				
			L. AGR Index Factor: 1.10				
			M. Indexed Adjusted Preliminary AGR (if applicable): 178,490				
Part II Expenses			N. Tax Years -----				
1040F line#	Description from IRS form 1040F						
35	Total Expenses:	109,000	115,000	115,500	117,000	131,200	
Part I, line 2	Cost or other basis of livestock and other items reported on line 1:						
O.	Subtotal (line 35 plus part I line 2):						
	<b>Less Non- Allowed Items for AGR-Lite:</b>	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
16	Non-animal depreciation:						
17	Employee benefit programs other than line 25:						
23a	Mortgage interest paid:						
23b	Other Interest:						
25	Pension and profit share plans:						
26a & 26b	Rent or Leases:	20,000	20,000	22,000	22,000	24,000	
29	Cold storage, indirect & post production expenses, other, etc.:						
31 & 34	Taxes, non-direct commodity, non-allowed expenses, other and etc.:						
P.	Subtotal (lines 16 through 34):	20,000	20,000	22,000	22,000	24,000	
Q.	<b>Allowable expenses</b> (line O minus line P):	89,000	95,000	93,500	95,000	107,200	
R.	<b>Indexing calculation (if applicable):</b>		1.067	0.984	1.016	1.128	
			S. 5-Year Total Adjusted Expenses: 479,700				
			T. 5-Year Average Preliminary Adjusted Expenses: 95,940				
			V. Expenses Index Factor: 1.211				
			W. Indexed Adjusted Preliminary Expenses (if applicable): 116,183				
U. Page _____ of _____ Pages							





Further explanation of the **Premium Calculation Detail Worksheet for AGR** is provided by considering the rows under the subheading “Calculations.” Rows 1 through 11 are calculations that were discussed when we reviewed the procedures for determining the *Approved AGR* and establishing the *Premium Liability*. The remaining rows are more fully discussed.

Row 12

***Percent of Total Revenue*** = Revenue for the subject crop/***Total Expected Income***

Row 13

***Weighted Commodity Rate*** = ***Percent of Total Revenue*** x ***Whole Farm Rate***  
(For subject commodity)

Row 14

***Total Weighted Farm Rate*** = Sum of the ***Weighted Commodity Rates*** for all commodities in the **Annual Farm Plan**

Row 15

***Commodity Factor*** = 1/number of commodities in the **Annual Farm Report**

Row 16

***Total Commodity Deviation (DEV)*** = Sum of the **absolute values** of differences (***Percent of Total Revenue - Commodity Factor***) across all commodities in the **Annual Farm Plan**

***Diversity Factor*** This factor is determined using the ***Total Commodity Deviation*** in a set of formulas. The formula to use is determined by the number of commodities in the **Annual Farm Plan**. Formulas for the diversity factor are tabled on the next page (refer to Table A-1: Diversity Factors).

Row 18

***Adjusted Gross Revenue Rate*** = ***Total Weighted Farm Rate*** x ***Diversity Factor***

Row 19

***Total Premium*** = ***Premium Liability*** x ***Adjusted Gross Revenue Rate***

Row 20

***Subsidy Dollar*** = ***Total Premium*** x ***Subsidy Rate***

Row 21

***Preliminary Producer Premium*** = ***Total Premium*** - ***Subsidy Dollar***

Row 22

*Additional Subsidy = Preliminary Producer Premium x Cost Share*

Row 23

*Producer Premium = Preliminary Producer Premium - Additional Subsidy*

**Table A-1: Diversity Factors**

Number of Commodities	Diversity Factor (DF) Formula
1	DF = 1.00
2	DF = 0.668 + [(0.0179999) x (DEV*)] + [(0.3142858) x (DEV) x (DEV)]
3	DF = 0.523 + [(0.0607623) x (DEV)] + [(0.2229) x (DEV) x (DEV)]
4	DF = 0.474 + [(0.0248208 x (DEV)] + [(0.218472) x (DEV) x (DEV)]
5	DF = 0.437 + [(0.0710358) x (DEV)] + [(0.1760129) x (DEV) x (DEV)]
6	DF = 0.412 + [(0.0325131) x (DEV)] + [(0.1945816) x (DEV) x (DEV)]
7	DF = 0.410

\*DEV = *Total Commodity Deviation* (see definition on previous page)

With this background I. M. Insured and his insurance agent reviewed each of the **Premium Calculation Detail Worksheets for AGR** those for irrigated corn (1001), irrigated barley (0856), and irrigated alfalfa (0850).

The **Premium Calculation Detail Worksheet for AGR** is presented twice for corn, first assuming that corn was the only revenue crop on the farm and provided all of the revenue (and had yield-based crop insurance coverage on some corn acreage. In reality, as denoted on the **AGR-Lite Histories Calculation Worksheet**, the MPCCI coverage is barley at \$187 an acre, with a total liability of \$37,400.) Reviewing the form I.M. and his insurance agent noted that the *Percent of Total Revenue = 1.000*, the *Total Weighted Farm Rate* was **0.092**, the *Diversity Factor* was **1.000** and the *Producer Premium* was **\$3,439**. But these values all change when corn is considered as one of three crops with the *Producer Premium* declining to **\$2,056**. Worksheets for barley and alfalfa hay demonstrate the premium calculations for these commodities.

Corn Only

Login ID grif210l	Calc ID 262877	Crop Year 2008	Insurance Plan 61	State 56	County 031
Crop 0061	Type 997	Practice 997	Coverage Level 75%	Payment Rate 90%	

Menu

Premium Calculation Detail Worksheet for AGR

A)	2002 Allowable Income:	\$100,000.00	H)	MPCI Liability:	\$37,400.00
B)	2003 Allowable Income:	\$110,000.00	I)	Total Commodities:	1
C)	2004 Allowable Income:	\$134,000.00	J)	Commodity Code:	1001
D)	2005 Allowable Income:	\$120,600.00	K)	Revenue:	\$179,000.00
E)	2006 Allowable Income:	\$145,000.00	L)	Whole Farm Rate:	0.092
F)	Coverage Level:	0.75	M)	Subsidy Rate:	0.550
G)	Payment Rate:	0.90	N)	Cost Share:	0.000
			P)	Animals/Animal Products Percent:	0.000

Calculations		
1.	Calculate the <b>Average Allowable Income</b> (Rounded to the nearest whole dollar). $(A + B + C + D + E) / 5$	\$121,920.00
2.	Calculate the <b>Total Expected Income</b> . This is calculated by totalling revenue for all commodities.	\$179,000.00
3.	If the allowable income for either of the two most recent years exceeds Answer1 and Answer2 is greater than Answer1, the average allowable income must be indexed. If the average allowable income must be indexed, proceed to step 4; otherwise, proceed to step 7.	N/A
4.	Calculate the <b>Income Trend Factor</b> . Each year's allowable income is divided by the preceding year's allowable income (Rounded to 3 decimal places). These factors are capped at 1.2 if they exceed 1.2 and capped at 0.8 if they fall below 0.8. The factors are totalled and divided by 4 (Rounded to 3 decimal places). If the income trend factor > 1, proceed to step 5; otherwise, proceed to step 7. $((B / A) + (C / B) + (D / C) + (E / D)) / 4$	1.100
5.	Raise Answer4 to the 4th power. Cup it at 1 (Rounded to 3 decimal places). $Answer4^4$	1.464
6.	Calculate the <b>Indexed Average AGR</b> (Rounded to the nearest whole dollar). $Answer5 * Answer1$	\$178,491.00
7.	Find the <b>Approved Adjusted Gross Revenue</b> . It is the lower of Answer2 or Answer6 if indexing IS required or the lower of Answer1 or Answer2 if indexing IS NOT required.	\$178,491.00
8.	Determine <b>AGR Liability</b> (Rounded to the nearest whole dollar). $Answer7 * F * G$	\$120,481.00
9.	Calculate the <b>Maximum MPCI Liability</b> (Rounded to the nearest whole dollar). $Answer8 * 0.50$	\$60,241.00
10.	Determine the <b>Final MPCI Liability</b> . It is the lower of H or Answer9.	\$37,400.00
11.	Determine <b>Premium Liability</b> (Rounded to the nearest whole dollar). $Answer8 - Answer10$	\$83,081.00
12.	Determine the <b>Percent of Total Revenue</b> for each commodity (Rounded to 3 decimal places). $K / Answer2$	1.000
13.	Calculate the <b>Weighted Commodity Rate</b> for each commodity (Rounded to 3 decimal places). $Answer12 * L$	0.092
14.	Calculate the <b>Total Weighted Farm Rate</b> (Rounded to 3 decimal places). Summation (Answer13) for each commodity	0.092

15.	Calculate the <b>Commodity Factor</b> (Rounded to 3 decimal places). 1 / I	1.000
16.	Calculate <b>Total Commodity Deviation</b> (Rounded to 3 decimal places). Summation (Abs (Answer12 - Answer15)) for each commodity	0.000
17.	Calculate the <b>Diversity Factor</b> for 1 commodity (Rounded to 3 decimal places). Diversity Factor = 1.000	1.000
18.	Calculate the <b>Adjusted Gross Revenue Rate</b> (Rounded to 3 decimal places). Answer14 * Answer17	0.092
19.	Calculate <b>Total Premium</b> (Rounded to the nearest whole dollar). Answer11 * Answer18	\$7,643.00
20.	Calculate <b>Subsidy Dollar</b> (Rounded to the nearest whole dollar). Answer19 * M	\$4,204.00
21.	Calculate <b>Preliminary Producer Premium</b> (Rounded to the nearest whole dollar). Answer19 - Answer20	\$3,439.00
22.	Calculate <b>Additional Subsidy</b> (Rounded to the nearest whole dollar). It will be capped at \$50,000. Answer21 * N	\$0.00
23.	Calculate <b>Producer Premium</b> (Rounded to the nearest whole dollar). Answer21 - Answer22	\$3,439.00
<b>---- Animal/Animal Product Expense Calculation and State Subsidy Calculation Section ----</b>		
1.	Calculate <b>Livestock A/O</b> (Rounded to dollars and cents). Answer19 * P * 0.245	\$0.00
2.	Calculate <b>Livestock Subsidy</b> (Rounded to the nearest whole dollar). Answer19 * P * M	\$0.00
3.	Calculate <b>Livestock Cost Share</b> (Rounded to the nearest whole dollar). Answer21 * P * N	\$0.00
4.	Calculate <b>Animal/Animal Product Expenses</b> (Rounded to dollars and cents). Answer1 + Answer2 + Answer3	\$0.00
5.	Calculate <b>State Subsidy</b> (Rounded to the nearest whole dollar). Answer19 * O	\$0.00
<p>Note: ^ indicates exponentiation. Abs indicates that the absolute value function is used. Allowable income values of \$0 are set to \$1 automatically to avoid division by zero calculation errors.</p>		
<b>THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY</b>		

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Corn

<b>Login ID</b> grif210l	<b>Calc ID</b> 262867	<b>Crop Year</b> 2008	<b>Insurance Plan</b> 61	<b>State</b> 56	<b>County</b> 031
<b>Crop</b> 0061	<b>Type</b> 997	<b>Practice</b> 997	<b>Coverage Level</b> 75%	<b>Payment Rate</b> 90%	

Menu **Premium Calculation Detail Worksheet for AGR**

<b>A)</b>	<b>2002 Allowable Income:</b>	\$100,000.00	<b>H)</b>	<b>MPCI Liability:</b>	\$37,400.00
<b>B)</b>	<b>2003 Allowable Income:</b>	\$110,000.00	<b>I)</b>	<b>Total Commodities:</b>	3
<b>C)</b>	<b>2004 Allowable Income:</b>	\$134,000.00	<b>J)</b>	<b>Commodity Code:</b>	1001
<b>D)</b>	<b>2005 Allowable Income:</b>	\$120,600.00	<b>K)</b>	<b>Revenue:</b>	\$75000.00
<b>E)</b>	<b>2006 Allowable Income:</b>	\$145,000.00	<b>L)</b>	<b>Whole Farm Rate:</b>	0.092
<b>F)</b>	<b>Coverage Level:</b>	0.75	<b>M)</b>	<b>Subsidy Rate:</b>	0.550
<b>G)</b>	<b>Payment Rate:</b>	0.90	<b>N)</b>	<b>Cost Share:</b>	0.000
			<b>P)</b>	<b>Animals/Animal Products Percent:</b>	0.000

Calculations		
1.	Calculate the <b>Average Allowable Income</b> (Rounded to the nearest whole dollar). $(A + B + C + D + E) / 5$	\$121,920.00
2.	Calculate the <b>Total Expected Income</b> . This is calculated by totalling revenue for all commodities.	\$179,000.00
3.	If the allowable income for either of the two most recent years exceeds Answer1 and Answer2 is greater than Answer1, the average allowable income must be indexed. If the average allowable income must be indexed, proceed to step 4; otherwise, proceed to step 7.	N/A
4.	Calculate the <b>Income Trend Factor</b> . Each year's allowable income is divided by the preceding year's allowable income (Rounded to 3 decimal places). These factors are capped at 1.2 if they exceed 1.2 and capped at 0.8 if they fall below 0.8. The factors are totalled and divided by 4 (Rounded to 3 decimal places). If the income trend factor > 1, proceed to step 5; otherwise, proceed to step 7. $((B / A) + (C / B) + (D / C) + (E / D)) / 4$	1.100
5.	Raise Answer4 to the 4th power. Cup it at 1 (Rounded to 3 decimal places). $Answer4^4$	1.464
6.	Calculate the <b>Indexed Average AGR</b> (Rounded to the nearest whole dollar). $Answer5 * Answer1$	\$178,491.00
7.	Find the <b>Approved Adjusted Gross Revenue</b> . It is the lower of Answer2 or Answer6 if indexing IS required or the lower of Answer1 or Answer2 if indexing IS NOT required.	\$178,491.00
8.	Determine <b>AGR Liability</b> (Rounded to the nearest whole dollar). $Answer7 * F * G$	\$120,481.00
9.	Calculate the <b>Maximum MPCI Liability</b> (Rounded to the nearest whole dollar). $Answer8 * 0.50$	\$60,241.00
10.	Determine the <b>Final MPCI Liability</b> . It is the lower of H or Answer9.	\$37,400.00
11.	Determine <b>Premium Liability</b> (Rounded to the nearest whole dollar). $Answer8 - Answer10$	\$83,081.00
12.	Determine the <b>Percent of Total Revenue</b> for each commodity (Rounded to 3 decimal places). $K / Answer2$	0.419
13.	Calculate the <b>Weighted Commodity Rate</b> for each commodity (Rounded to 3 decimal places). $Answer12 * L$	0.039
14.	Calculate the <b>Total Weighted Farm Rate</b> (Rounded to 3 decimal places). Summation (Answer13) for each commodity	0.101

15.	Calculate the <b>Commodity Factor</b> (Rounded to 3 decimal places). $1 / I$	0.333
16.	Calculate <b>Total Commodity Deviation</b> (Rounded to 3 decimal places). Summation (Abs (Answer12 - Answer15)) for each commodity	0.171
17.	Calculate the <b>Diversity Factor</b> for 3 commodities (Rounded to 3 decimal places). $0.523 + 0.0607623 * \text{Answer16} + 0.2229 * \text{Answer16} * \text{Answer16}$	0.540
18.	Calculate the <b>Adjusted Gross Revenue Rate</b> (Rounded to 3 decimal places). $\text{Answer14} * \text{Answer17}$	0.055
19.	Calculate <b>Total Premium</b> (Rounded to the nearest whole dollar). $\text{Answer11} * \text{Answer18}$	\$4,569.00
20.	Calculate <b>Subsidy Dollar</b> (Rounded to the nearest whole dollar). $\text{Answer19} * M$	\$2,513.00
21.	Calculate <b>Preliminary Producer Premium</b> (Rounded to the nearest whole dollar). $\text{Answer19} - \text{Answer20}$	\$2,056.00
22.	Calculate <b>Additional Subsidy</b> (Rounded to the nearest whole dollar). It will be capped at \$50,000. $\text{Answer21} * N$	\$0.00
23.	Calculate <b>Producer Premium</b> (Rounded to the nearest whole dollar). $\text{Answer21} - \text{Answer22}$	\$2,056.00
<b>----- Animal/Animal Product Expense Calculation and State Subsidy Calculation Section -----</b>		
1.	Calculate <b>Livestock A/O</b> (Rounded to dollars and cents). $\text{Answer19} * P * 0.245$	\$0.00
2.	Calculate <b>Livestock Subsidy</b> (Rounded to the nearest whole dollar). $\text{Answer19} * P * M$	\$0.00
3.	Calculate <b>Livestock Cost Share</b> (Rounded to the nearest whole dollar). $\text{Answer21} * P * N$	\$0.00
4.	Calculate <b>Animal/Animal Product Expenses</b> (Rounded to dollars and cents). $\text{Answer1} + \text{Answer2} + \text{Answer3}$	\$0.00
5.	Calculate <b>State Subsidy</b> (Rounded to the nearest whole dollar). $\text{Answer19} * O$	\$0.00
<p>Note: ^ indicates exponentiation. Abs indicates that the absolute value function is used. Allowable income values of \$0 are set to \$1 automatically to avoid division by zero calculation errors.</p>		
<b>THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY</b>		

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Barley

Login ID grif210l	Calc ID 262867	Crop Year 2008	Insurance Plan 61 <a href="#">Q</a>	State 56 <a href="#">Q</a>	County 031 <a href="#">Q</a>
Crop 0061 <a href="#">Q</a>	Type 997 <a href="#">Q</a>	Practice 997 <a href="#">Q</a>	Coverage Level 75%	Payment Rate 90%	

Menu

Premium Calculation Detail Worksheet for AGR

A)	2002 Allowable Income:	\$100,000.00	H)	MPCI Liability:	\$37,400.00
B)	2003 Allowable Income:	\$110,000.00	I)	Total Commodities:	3
C)	2004 Allowable Income:	\$134,000.00	J)	Commodity Code:	0856
D)	2005 Allowable Income:	\$120,600.00	K)	Revenue:	\$48000.00
E)	2006 Allowable Income:	\$145,000.00	L)	Whole Farm Rate:	0.124
F)	Coverage Level:	0.75	M)	Subsidy Rate:	0.550
G)	Payment Rate:	0.90	N)	Cost Share:	0.000
			P)	Animals/Animal Products Percent:	0.000

Calculations		
1.	Calculate the <b>Average Allowable Income</b> (Rounded to the nearest whole dollar). $(A + B + C + D + E) / 5$	\$121,920.00
2.	Calculate the <b>Total Expected Income</b> . This is calculated by totalling revenue for all commodities.	\$179,000.00
3.	If the allowable income for either of the two most recent years exceeds Answer1 and Answer2 is greater than Answer1, the average allowable income must be indexed. If the average allowable income must be indexed, proceed to step 4; otherwise, proceed to step 7.	N/A
4.	Calculate the <b>Income Trend Factor</b> . Each year's allowable income is divided by the preceding year's allowable income (Rounded to 3 decimal places). These factors are capped at 1.2 if they exceed 1.2 and cupped at 0.8 if they fall below 0.8. The factors are totalled and divided by 4 (Rounded to 3 decimal places). If the income trend factor > 1, proceed to step 5; otherwise, proceed to step 7. $((B / A) + (C / B) + (D / C) + (E / D)) / 4$	1.100
5.	Raise Answer4 to the 4th power. Cup it at 1 (Rounded to 3 decimal places). $Answer4^4$	1.464
6.	Calculate the <b>Indexed Average AGR</b> (Rounded to the nearest whole dollar). $Answer5 * Answer1$	\$178,491.00
7.	Find the <b>Approved Adjusted Gross Revenue</b> . It is the lower of Answer2 or Answer6 if indexing IS required or the lower of Answer1 or Answer2 if indexing IS NOT required.	\$178,491.00
8.	Determine <b>AGR Liability</b> (Rounded to the nearest whole dollar). $Answer7 * F * G$	\$120,481.00
9.	Calculate the <b>Maximum MPCI Liability</b> (Rounded to the nearest whole dollar). $Answer8 * 0.50$	\$60,241.00
10.	Determine the <b>Final MPCI Liability</b> . It is the lower of H or Answer9.	\$37,400.00
11.	Determine <b>Premium Liability</b> (Rounded to the nearest whole dollar). $Answer8 - Answer10$	\$83,081.00
12.	Determine the <b>Percent of Total Revenue</b> for each commodity (Rounded to 3 decimal places). $K / Answer2$	0.268
13.	Calculate the <b>Weighted Commodity Rate</b> for each commodity (Rounded to 3 decimal places). $Answer12 * L$	0.033
14.	Calculate the <b>Total Weighted Farm Rate</b> (Rounded to 3 decimal places). Summation (Answer13) for each commodity	0.101

15.	Calculate the <b>Commodity Factor</b> (Rounded to 3 decimal places). $1 / I$	0.333
16.	Calculate <b>Total Commodity Deviation</b> (Rounded to 3 decimal places). Summation (Abs (Answer12 - Answer15)) for each commodity	0.171
17.	Calculate the <b>Diversity Factor</b> for 3 commodities (Rounded to 3 decimal places). $0.523 + 0.0607623 * \text{Answer16} + 0.2229 * \text{Answer16} * \text{Answer16}$	0.540
18.	Calculate the <b>Adjusted Gross Revenue Rate</b> (Rounded to 3 decimal places). $\text{Answer14} * \text{Answer17}$	0.055
19.	Calculate <b>Total Premium</b> (Rounded to the nearest whole dollar). $\text{Answer11} * \text{Answer18}$	\$4,569.00
20.	Calculate <b>Subsidy Dollar</b> (Rounded to the nearest whole dollar). $\text{Answer19} * M$	\$2,513.00
21.	Calculate <b>Preliminary Producer Premium</b> (Rounded to the nearest whole dollar). $\text{Answer19} - \text{Answer20}$	\$2,056.00
22.	Calculate <b>Additional Subsidy</b> (Rounded to the nearest whole dollar). It will be capped at \$50,000. $\text{Answer21} * N$	\$0.00
23.	Calculate <b>Producer Premium</b> (Rounded to the nearest whole dollar). $\text{Answer21} - \text{Answer22}$	\$2,056.00
<b>----- Animal/Animal Product Expense Calculation and State Subsidy Calculation Section -----</b>		
1.	Calculate <b>Livestock A/O</b> (Rounded to dollars and cents). $\text{Answer19} * P * 0.245$	\$0.00
2.	Calculate <b>Livestock Subsidy</b> (Rounded to the nearest whole dollar). $\text{Answer19} * P * M$	\$0.00
3.	Calculate <b>Livestock Cost Share</b> (Rounded to the nearest whole dollar). $\text{Answer21} * P * N$	\$0.00
4.	Calculate <b>Animal/Animal Product Expenses</b> (Rounded to dollars and cents). $\text{Answer1} + \text{Answer2} + \text{Answer3}$	\$0.00
5.	Calculate <b>State Subsidy</b> (Rounded to the nearest whole dollar). $\text{Answer19} * O$	\$0.00
<p>Note: ^ indicates exponentiation. Abs indicates that the absolute value function is used. Allowable income values of \$0 are set to \$1 automatically to avoid division by zero calculation errors.</p>		
<b>THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY</b>		

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<b>Login ID</b> grif210l	<b>Calc ID</b> 262867	<b>Crop Year</b> 2008	<b>Insurance Plan</b> 61	<b>State</b> 56	<b>County</b> 031
<b>Crop</b> 0061	<b>Type</b> 997	<b>Practice</b> 997	<b>Coverage Level</b> 75%	<b>Payment Rate</b> 90%	

Menu **Premium Calculation Detail Worksheet for AGR**

<b>A)</b>	<b>2002 Allowable Income:</b>	\$100,000.00	<b>H)</b>	<b>MPCI Liability:</b>	\$37,400.00
<b>B)</b>	<b>2003 Allowable Income:</b>	\$110,000.00	<b>I)</b>	<b>Total Commodities:</b>	3
<b>C)</b>	<b>2004 Allowable Income:</b>	\$134,000.00	<b>J)</b>	<b>Commodity Code:</b>	0850
<b>D)</b>	<b>2005 Allowable Income:</b>	\$120,600.00	<b>K)</b>	<b>Revenue:</b>	\$56,000.00
<b>E)</b>	<b>2006 Allowable Income:</b>	\$145,000.00	<b>L)</b>	<b>Whole Farm Rate:</b>	0.092
<b>F)</b>	<b>Coverage Level:</b>	0.75	<b>M)</b>	<b>Subsidy Rate:</b>	0.550
<b>G)</b>	<b>Payment Rate:</b>	0.90	<b>N)</b>	<b>Cost Share:</b>	0.000
			<b>P)</b>	<b>Animals/Animal Products Percent:</b>	0.000

Calculations		
1.	Calculate the <b>Average Allowable Income</b> (Rounded to the nearest whole dollar). $(A + B + C + D + E) / 5$	\$121,920.00
2.	Calculate the <b>Total Expected Income</b> . This is calculated by totalling revenue for all commodities.	\$179,000.00
3.	If the allowable income for either of the two most recent years exceeds Answer1 and Answer2 is greater than Answer1, the average allowable income must be indexed. If the average allowable income must be indexed, proceed to step 4; otherwise, proceed to step 7.	N/A
4.	Calculate the <b>Income Trend Factor</b> . Each year's allowable income is divided by the preceding year's allowable income (Rounded to 3 decimal places). These factors are capped at 1.2 if they exceed 1.2 and capped at 0.8 if they fall below 0.8. The factors are totalled and divided by 4 (Rounded to 3 decimal places). If the income trend factor > 1, proceed to step 5; otherwise, proceed to step 7. $((B / A) + (C / B) + (D / C) + (E / D)) / 4$	1.100
5.	Raise Answer4 to the 4th power. Cup it at 1 (Rounded to 3 decimal places). $Answer4^4$	1.464
6.	Calculate the <b>Indexed Average AGR</b> (Rounded to the nearest whole dollar). $Answer5 * Answer1$	\$178,491.00
7.	Find the <b>Approved Adjusted Gross Revenue</b> . It is the lower of Answer2 or Answer6 if indexing IS required or the lower of Answer1 or Answer2 if indexing IS NOT required.	\$178,491.00
8.	Determine <b>AGR Liability</b> (Rounded to the nearest whole dollar). $Answer7 * F * G$	\$120,481.00
9.	Calculate the <b>Maximum MPCI Liability</b> (Rounded to the nearest whole dollar). $Answer8 * 0.50$	\$60,241.00
10.	Determine the <b>Final MPCI Liability</b> . It is the lower of H or Answer9.	\$37,400.00
11.	Determine <b>Premium Liability</b> (Rounded to the nearest whole dollar). $Answer8 - Answer10$	\$83,081.00
12.	Determine the <b>Percent of Total Revenue</b> for each commodity (Rounded to 3 decimal places). $K / Answer2$	0.313
13.	Calculate the <b>Weighted Commodity Rate</b> for each commodity (Rounded to 3 decimal places). $Answer12 * L$	0.029
14.	Calculate the <b>Total Weighted Farm Rate</b> (Rounded to 3 decimal places). Summation (Answer13) for each commodity	0.101

15.	Calculate the <b>Commodity Factor</b> (Rounded to 3 decimal places). $1 / I$	0.333
16.	Calculate <b>Total Commodity Deviation</b> (Rounded to 3 decimal places). Summation (Abs (Answer12 - Answer15)) for each commodity	0.171
17.	Calculate the <b>Diversity Factor</b> for 3 commodities (Rounded to 3 decimal places). $0.523 + 0.0607623 * \text{Answer16} + 0.2229 * \text{Answer16} * \text{Answer16}$	0.540
18.	Calculate the <b>Adjusted Gross Revenue Rate</b> (Rounded to 3 decimal places). $\text{Answer14} * \text{Answer17}$	0.055
19.	Calculate <b>Total Premium</b> (Rounded to the nearest whole dollar). $\text{Answer11} * \text{Answer18}$	\$4,569.00
20.	Calculate <b>Subsidy Dollar</b> (Rounded to the nearest whole dollar). $\text{Answer19} * M$	\$2,513.00
21.	Calculate <b>Preliminary Producer Premium</b> (Rounded to the nearest whole dollar). $\text{Answer19} - \text{Answer20}$	\$2,056.00
22.	Calculate <b>Additional Subsidy</b> (Rounded to the nearest whole dollar). It will be capped at \$50,000. $\text{Answer21} * N$	\$0.00
23.	Calculate <b>Producer Premium</b> (Rounded to the nearest whole dollar). $\text{Answer21} - \text{Answer22}$	\$2,056.00
<b>----- Animal/Animal Product Expense Calculation and State Subsidy Calculation Section -----</b>		
1.	Calculate <b>Livestock A/O</b> (Rounded to dollars and cents). $\text{Answer19} * P * 0.245$	\$0.00
2.	Calculate <b>Livestock Subsidy</b> (Rounded to the nearest whole dollar). $\text{Answer19} * P * M$	\$0.00
3.	Calculate <b>Livestock Cost Share</b> (Rounded to the nearest whole dollar). $\text{Answer21} * P * N$	\$0.00
4.	Calculate <b>Animal/Animal Product Expenses</b> (Rounded to dollars and cents). $\text{Answer1} + \text{Answer2} + \text{Answer3}$	\$0.00
5.	Calculate <b>State Subsidy</b> (Rounded to the nearest whole dollar). $\text{Answer19} * 0$	\$0.00
<p>Note: ^ indicates exponentiation. Abs indicates that the absolute value function is used. Allowable income values of \$0 are set to \$1 automatically to avoid division by zero calculation errors.</p>		
<b>THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY</b>		

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I. M. Told his agent that he was not sure that he needed such detail on premium calculations, so U. R. printed out a **Premium Calculation Producer Worksheet for AGR**. This worksheet provides the bottom line for a producer, the producer premium plus administrative fee. This worksheet contains other information of interest to a producer. The **Trigger Level** for the farm is specified. If total income in the insurance year is less than this amount due to losses from insurable causes, the producer may be indemnified. **Coverage** specifies the maximum indemnity. For I.M.'s farm the **Trigger Level** is \$ 133,868.25 and the **Coverage** is \$ 120,481.00.

So, I. M. Insured told his agent to write AGR-Lite insurance for his operation.

All went well during the growing season. The yields and prices for alfalfa hay and barley were just like I.M. anticipated—amazing. And his corn looked great until the Great Freeze! On September 10 the freeze was so severe that his corn was deemed totally destroyed for grain—of no value if harvested. So, I.M. called his agent.

The agent told I. M. to fill out the **Actual Commodity Report (essentially records the value of production for the insurance year)** concurrent with the agent arranging for the insurance adjuster, J. R. Smith to appraise the loss and do an indemnity work up. J. R. did his physical assessment and determined that the crop had no economic salvage value. He worked with I. M. and determined that his expenses for the insurance year were only \$90,000 due to the fact that no harvest costs were incurred for corn. They entered this and other information on the **AGR Claim for Indemnity Worksheet**. This was greater than 70 percent of the approved expenses for the year, so the AGR was not adjusted for reduced expenses. Therefore, the **Revenue Guarantee** (or Trigger Level) remained at \$133,868.

Next they need to work to establish the **Revenue to Count**. The starting point for this is the income tax return recording the sales for the insurance year. Cash sales for the covered commodities were \$101,200. This was composed of sales of \$48,000 from the 20,000 bushels of barley produced and sold during the insurance year. Additionally, there were sales of 760 tons of alfalfa hay at \$70 per ton, for a total of \$101,200.

But they decided to take a careful look at I. M.'s alfalfa production and sales. He usually sells most of his hay after the first of the calendar year following the year of production. His beginning hay inventory was 700 tons. I.M. produced 800 tons during the insurance year, as noted on the **Actual Commodity Report**. And he sold 760 tons at \$70 per ton during the insurance year, as reported on his income tax returns for the insurance year. The ending inventory was as J. R. identified 760 tons ( $700 + 800 - 760 = 740$ ). So there was an increase of 40 tons of hay in inventory, as reported on the **Inventory and Accounts Receivable Report**.

**Summary: 3 crops**

<b>Login ID</b> grif210l	<b>Calc ID</b> 262867	<b>Crop Year</b> 2008	<b>Insurance Plan</b> 61	<b>State</b> 56	<b>County</b> 031
<b>Crop</b> 0061	<b>Type</b> 997	<b>Practice</b> 997	<b>Coverage Level</b> 75%	<b>Payment Rate</b> 90%	

Menu **Premium Calculation Producer Worksheet for AGR**

Dates	
<b>Final Planting</b>	<b>Acreege Reporting</b>
N/A	N/A
<b>Sales Closing</b>	
03/15/2008	
Computed Results	
	<b>Total</b>
<b>Coverage:</b>	\$120,481.00
<b>Trigger Level:</b>	\$133,868.25
<b>Total Premium (Including A &amp; O):</b>	\$5,674.70
<b>Subsidy (Including A &amp; O):</b>	\$3,618.70
<b>Producer Premium (No Admin Fee Included):</b>	\$2,056.00
<b>Administrative Fee:</b>	\$30.00
<b>Producer Premium (Admin Fee Included):</b>	\$2,086.00
Adjusted Gross Revenue Information	
<b>Tax Year</b>	<b>Allowable Income</b>
2002	\$100,000.00
2003	\$110,000.00
2004	\$134,000.00
2005	\$120,600.00
2006	\$145,000.00
<b>Commodity</b>	<b>Revenue</b>
0850 ALFALFA (IRRIGATED)	\$56,000.00
0856 BARLEY (IRRIGATED)	\$48,000.00
1001 CORN (IRRIGATED)	\$75,000.00
<b>THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY</b>	

Menu

November 2007 AGR-Lite	ACTUAL COMMODITY REPORT			A. IRS Accounting Method? Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>	B. Insurance Year 2008
C. PRODUCER INFORMATION  I.M. Insured	Type of Tax Entity: Sole Proprietorship	D. AGENCY INFORMATION U.R. Stuck, Agent  Phone Number: (308) 123-4567	E. State (s): WY 56  County (ies): 031 Platte	F. Was any listed commodity also insured under another insurance policy? If yes, list the commodity(ies) and contract number(s). Yes. Barley 0091 \$37,400	
Phone Number:	SSN: <input checked="" type="checkbox"/> EIN: <input type="checkbox"/>	Policy No:	Agent's Code: 007		

ACTUAL COMMODITY REPORT	TOTAL VALUE BY COMMODITY
-------------------------	--------------------------

G. COMMODITY NAME	CODE	H. AMOUNT (acres, # head, area, etc.)	I. YIELD OR QUANTITY PRODUCED (X)	UNITS	J. VALUE (price per unit) (=)	K. TOTAL VALUE
Barley	0856	200 acres	20,000	bu	2.40	48,000
Corn	1001	200 acres	0	bu	0	0.00
Alfalfa	0850	200 acres	800	ton	70.00	56,000

M. Blank Section	L. TOTAL INCOME: 4,000
------------------	---------------------------

N. Notes:  
 Corn for grain frozen prior to maturity and was not harvested because there was no salvage value.

3 PRODUCER INFORMATION Type of Tax Entity: 4 AGENCY INFORMATION 5 State(s):  
 I.M. Insured Sole Proprietorship U.R. Stuck, Agent WY 56  
 Phone Number: SSN  EIN  Phone Number: (308) 123-4567 Agent Code: 007  
 County(ies) 031 Platte

PART I - INVENTORIES								
COMMODITY (Name) 6	YEAR 7	LOCATIONS 8	BEGINNING INVENTORY (Tons, No., Bu., Lbs., etc.) 9	ENDING INVENTORY (Tons, No., Bu., Lbs., etc.) 10	DISPOSED OF (Col. 9 - 10) 11A	CODE 11B	VALUE (Dollars) 12	DOLLAR AMOUNT (Col. 10 x 12 or 11A x 12) 13
Alfalfa	2007	Farm Headquarters	700 ton	740 ton	40 ton		\$70	2,800
					14 TOTAL INVENTORY ADJUSTMENTS (+/-) TO CLAIM		\$2,800	

**FOR ILLUSTRATION PURPOSES ONLY**

FCI-74 AGR  
(10-98)

U.S. DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation

OMB No. 0563-0053

**AGR CLAIM FOR INDEMNITY WORKSHEET**

1 State Code 56	County Code 031	2 Unit	3 Farm Headquarters Phone (308) 123-0000	9 Agency Information: Name: U.R. Stuck, Agent Address: Goatabowl, WY Telephone Number: (308) 123-4567 Code Number: 007	10 Name of Insured I.M. Insured	11 Insurance Year 2008
4 SSN/EIN			5 Entity Type		12 Claim Number 1	
6 Date of Damage			7 Cause of Damage		13 Policy Number AGRLITE-1000	
8 Primary Cause %			16 Coverage Level/Payment Rate 75/90		14 Date(s) of Notice 1 <sup>st</sup> 2 <sup>nd</sup> Final	
15 Companion Policy(s)						

**CALCULATION OF CLAIM FOR INDEMNITY**

Expenses For Insurance Year 17	Approved Expenses Insurance Year 18	Expense Percentage (.xxx) 17   18 = 19 19	Expense Reduction Percentage (.xxx) (70% - 19) = 20 20	Approved AGR 21	Expense Reduction Dollar Amount 20 x 21 = 22 22	AGR Adjusted For Expenses 21 - 22 = 23 23	Coverage Level Percentage (.xxxx) 24	Revenue Guarantee 23 x 24 = 25 25	Revenue to Count Insurance Year 26
\$90,000	\$116,183	77%	0	178,490	0	178,490	75%	\$133,868	\$101,200
Inventory Adjustment (+ -) 27	Accounts Receivable Adjustment (+ -) 28	Total Adjustment To Revenue To Count 26 + 27 (+ -) + 28 (+ -) = 29 29		Revenue Deficiency 25 - 29 = 30 30	Payment Rate Percentage (.xxx) 31	Indemnity 30 x 31 = 32 32	Premium Due 33	Balance Due Insured 32 - 33 = 34 34	
+ 2,800	0	104,000		29,868	0.90	\$26,881	\$2,086	\$24,795	

35 Narrative:  
\_\_\_\_\_  
\_\_\_\_\_

36 Date Current Year Taxes Filed February 12, 2008	37 Is damage similar to other farms in the area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	38 Assignment of Indemnity? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
-------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------

The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. 11 1006 and 1014; 7 U.S.C. 11 1506, 31 U.S.C. 11 3729 and 3730 and other federal statutes.

39 Adjuster's Signature and Code Number (Final Inspection)	Date	40 Insured's Signature (Final Inspection)	Date
------------------------------------------------------------	------	-------------------------------------------	------

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Returning to the **AGR Claim for Indemnity Worksheet**, the **Revenue to Count** value is entered (position #26) and the inventory adjustment from the **Inventory and Accounts Receivable Report** is entered (position #27). Carrying out the calculations results in a **Revenue Deficiency** of \$29,868 multiplied by a **0.90 payment rate** to yield a gross indemnity of \$26,881. Of course I. M. had to pay the premium and the \$30 administrative fee, so his net indemnity was \$24,795. Furthermore, I.M. paid a premium on the \$37,400 MPCCI coverage he carried on barley.

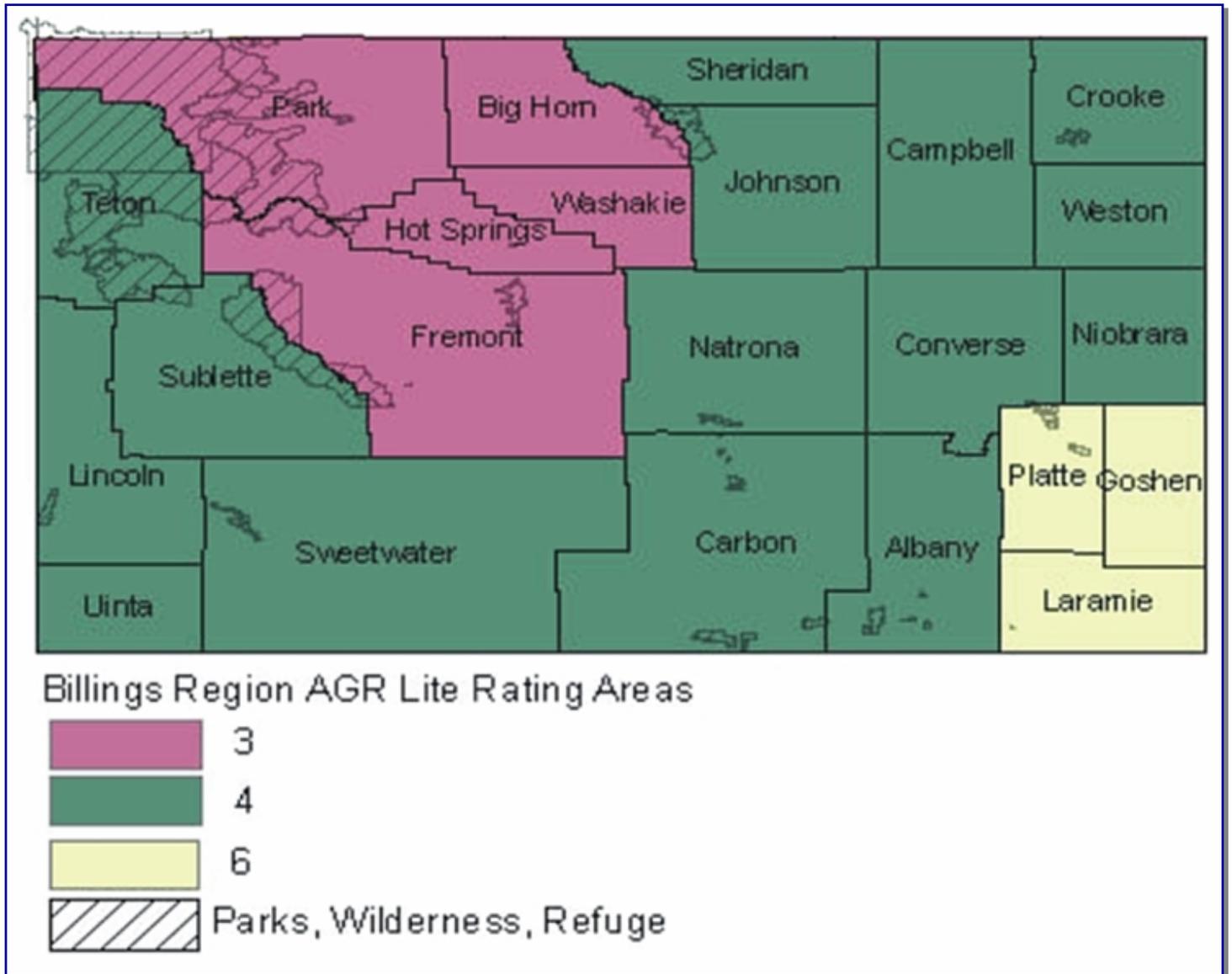
I.M. projected **Total Expected Income** of \$179,000. He expected and did incur insurance premiums for both his MPCCI coverage on barley and his AGR-Lite coverage.

His harvest was what he expected for barley and alfalfa with gross incomes of \$48,000 and \$56,000, respectively. He was indemnified \$26,881 under AGR-Lite for a total gross income of \$130,881. He incurred premiums for both the MPCCI coverage-Barley and AGR-Lite coverage on his entire farm.

Without any insurance coverage his gross income would have been \$48,000 from barley and \$56,000 from alfalfa for a total of \$104,000.

## APPENDIX B: AGR-LITE RISK REGIONS AND RATED COMMODITIES BY REGION

Figure B-1: Wyoming Risk Regions



**Table B-1: Rated Commodities, Wyoming RMA Region 3**

<u>Commodity Code</u>	<u>Commodity</u>	<u>Commodity Code</u>	<u>Commodity</u>
0850	ALFALFA (IRRIGATED)	0013	ONIONS
0851	ALFALFA (NONIRRIGATED)	0609	OTHER CROPS
0107	ALFALFA SEED	0308	OTHER FORAGE SEEDS
0856	BARLEY (IRRIGATED)	0608	OTHER FRUITS
0857	BARLEY (NONIRRIGATED)	0823	OTHER LIVE ANIMALS (A)
0843	BEEES (ANIMALS) (A)	0307	OTHER SMALL GRAINS
0962	BROILERS (A)	0646	OTHER VEGETABLES
0865	BUCKWHEAT	0084	POTATOES
0998	CANOLA (IRRIGATED)	0821	POULTRY (A)
0999	CANOLA (NONIRRIGATED)	0605	PUMPKINS
0866	CANOLA SEED	0647	RAPESEED
0612	CANTALOUPE	0094	RYE
0800	CATTLE: COW-CALF (A)	0049	SAFFLOWER
0802	CATTLE: FEEDLOT (A)	0626	SEED (OTHER)
0801	CATTLE: STOCKER/FEEDER (A)	0816	SHEEP AND LAMBS (A)
0668	CLOVER	0806	SHEEP: EWE/LAMB (A)
0655	CLOVER SEED	0808	SHEEP: FEEDLOT (A)
1001	CORN (IRRIGATED)	0807	SHEEP: STOCKER/FEEDER (A)
0876	CORN (SILAGE)	0669	SQUASH (OTHER)
0877	CUCUMBERS (FRESH MARKET)	0110	STRAWBERRIES
0847	DAIRY (A)	0039	SUGAR BEETS (M)
0881	DRY BEAN SEED	0078	SUNFLOWERS
0047	DRY BEANS (M)	0044	SWEET CORN (FRESH MARKET)
0067	DRY PEAS	0688	SWEET CORN SEED
0841	EGGS (A)	0085	SWEET POTATOES
0820	FISH/AQUACULTURE (A)	0689	TEFF SEED
0031	FLAX	0945	TIMOTHY GRASS
0684	FLAX SEED	0086	TOMATOES (FRESH MARKET)
0033	FORAGE PRODUCTION (M)	0690	TURF
0842	FURS (A)	0040	WATERMELONS
0304	GAME BIRDS (A)	1012	WHEAT (SUMMERFALLOW)
0809	GOATS (A)	1013	WHEAT (CONTINUOUS CROPPING)
0895	GRASS HAY (IRRIGATED)	0948	WHEAT (IRRIGATED)
0896	GRASS HAY (NONIRRIGATED) 0947		WHEAT SEED
0660	GRASS SEED		
0600	GREENHOUSE		
0611	HAY (OTHER)		
0899	HAY (SILAGE)		
0639	HERBS		
0803	HOGS: FARROW (A)		
0804	HOGS: FARROW/FINISH (A)		
0805	HOGS: FINISH (A)		
0402	LENTILS		
0017	MILLET		
0824	MINK (A)		
0670	MIXED HAY		
0069	MUSTARD		
0073	NURSERY (FG & C)		
0914	OATS (IRRIGATED)		
0915	OATS (NONIRRIGATED)		

**Table B-2: Rated Commodities, Wyoming RMA Region 4**

<u>Commodity Code</u>	<u>Commodity</u>	<u>Commodity Code</u>	<u>Commodity</u>
0850	ALFALFA (IRRIGATED)	0646	OTHER VEGETABLES
0851	ALFALFA (NONIRRIGATED)	0923	PEACHES (FRESH MARKET)
0853	APPLES (FRESH MARKET)	0089	PEARS
0854	APPLES (PROCESSING)	0020	PECANS
0098	APRICOTS	0084	POTATOES
0856	BARLEY (IRRIGATED)	0821	POULTRY (A)
0857	BARLEY (NONIRRIGATED)	0605	PUMPKINS
0630	BEDDING PLANTS	0679	RASPBERRIES
0843	BEEES (ANIMALS) (A)	0816	SHEEP AND LAMBS (A)
0601	BERRIES (OTHER)	0806	SHEEP: EWE/LAMB (A)
0962	BROILERS (A)	0808	SHEEP: FEEDLOT (A)
0998	CANOLA (IRRIGATED)	0807	SHEEP: STOCKER/FEEDER (A)
0966	CANTALOUPE (FALL)	0669	SQUASH (OTHER)
0867	CARROTS (FRESH MARKET)	0099	SWEET CHERRIES
0800	CATTLE: COW-CALF (A)	0044	SWEET CORN (FRESH MARKET)
0802	CATTLE: FEEDLOT (A)	0100	TART CHERRIES
0801	CATTLE: STOCKER/FEEDER (A)	0945	TIMOTHY GRASS
0041	CORN	0086	TOMATOES (FRESH MARKET)
0876	CORN (SILAGE)	0690	TURF
0683	CUT FLOWERS	0040	WATERMELONS
0847	DAIRY (A)	1012	WHEAT (SUMMERFALLOW)
0047	DRY BEANS	1013	WHEAT (CONTINUOUS CROPPING)
0841	EGGS (A)	0948	WHEAT (IRRIGATED)
0820	FISH/AQUACULTURE (A)		
0033	FORAGE PRODUCTION (M)		
0842	FURS (A)		
0304	GAME BIRDS (A)		
0809	GOATS (A)		
0051	GRAIN SORGHUM		
0053	GRAPES		
0895	GRASS HAY (IRRIGATED)		
0896	GRASS HAY (NONIRRIGATED)		
0660	GRASS SEED		
0600	GREENHOUSE		
0611	HAY (OTHER)		
0899	HAY (SILAGE)		
0803	HOGS: FARROW (A)		
0804	HOGS: FARROW/FINISH (A)		
0805	HOGS: FINISH (A)		
0101	MELONS (ALL OTHER)		
0824	MINK (A)		
0670	MIXED HAY		
0073	NURSERY (FG & C)		
0914	OATS (IRRIGATED)		
0915	OATS (NONIRRIGATED)		
0916	ONIONS (FALL)		
0609	OTHER CROPS		
0608	OTHER FRUITS		
0823	OTHER LIVE ANIMALS (A)		
0307	OTHER SMALL GRAINS		

**Table B-3: Rated Commodities, Wyoming RMA Region 6**

<u>Commodity Code</u>	<u>Commodity</u>	<u>Commodity Code</u>	<u>Commodity</u>
0850	ALFALFA (IRRIGATED)	0043	POPCORN
0851	ALFALFA (NONIRRIGATED)	0084	POTATOES (M)
0107	ALFALFA SEED	0931	POTTED FLOWERS
0856	BARLEY (IRRIGATED)	0821	POULTRY (A)
0857	BARLEY (NONIRRIGATED)	0937	SEASONAL POTTED PLANTS
0630	BEDDING PLANTS	0816	SHEEP AND LAMBS (A)
0843	BEEES (ANIMALS) (A)	0806	SHEEP: EWE/LAMB (A)
0962	BROILERS (A)	0808	SHEEP: FEEDLOT (A)
0800	CATTLE: COW-CALF (A)	0807	SHEEP: STOCKER/FEEDER (A)
0802	CATTLE: FEEDLOT (A)	0059	SILAGE SORGHUM
0801	CATTLE: STOCKER/FEEDER (A)	1008	SOYBEANS (IRRIGATED)
1001	CORN (IRRIGATED)	1009	SOYBEANS (NONIRRIGATED)
1002	CORN (NONIRRIGATED)	0941	SUDAN SORGHUM GRASS
0876	CORN (SILAGE)	0039	SUGAR BEETS (M)
0847	DAIRY (A)	0955	SUNFLOWER SEED
0881	DRY BEAN SEED	1010	SUNFLOWERS (IRRIGATED)
0047	DRY BEANS (M)	1011	SUNFLOWERS (NONIRRIGATED)
0841	EGGS (A)	0044	SWEET CORN (FRESH MARKET)
0820	FISH/AQUACULTURE (A)	0690	TURF
0887	FLOWER BULBS	0619	TURNIPS
0602	FLOWER SEED	1012	WHEAT (SUMMERFALLOW)
0033	FORAGE PRODUCTION (M)	1013	WHEAT (CONTINUOUS CROPPING)
0842	FURS (A)	0948	WHEAT (IRRIGATED)
0304	GAME BIRDS (A)	0947	WHEAT SEED
0809	GOATS (A)		
1005	GRAIN SORGHUM (IRRIGATED)		
1006	GRAIN SORGHUM (NONIRRIGATED)		
0895	GRASS HAY (IRRIGATED)		
0896	GRASS HAY (NONIRRIGATED)		
0600	GREENHOUSE		
0611	HAY (OTHER)		
0899	HAY (SILAGE)		
0803	HOGS: FARROW (A)		
0804	HOGS: FARROW/FINISH (A)		
0805	HOGS: FINISH (A)		
0017	MILLET (M)		
0824	MINK (A)		
0670	MIXED HAY		
0073	NURSERY (FG & C)		
0914	OATS (IRRIGATED)		
0915	OATS (NONIRRIGATED)		
0013	ONIONS		
0609	OTHER CROPS		
0608	OTHER FRUITS		
0823	OTHER LIVE ANIMALS (A)		
0307	OTHER SMALL GRAINS		
0646	OTHER VEGETABLES		



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