

### Working Example

A fescue seed/ hay producer in Cooper County, Missouri, with 1000 acres, insures his ground for hay for the months of April thru July for 90% of average rainfall and at 150% of the county base rate to get a coverage level of \$196.54 per acre at an average cost around \$13.00 per acre.

In looking at the chart compared to his yields the product worked well with the exception of 2004. That year we had an Easter freeze that would not be covered by this type of insurance.

Year	Hay & Seed	% of Normal		Losses Pd / Acre		Losses Pd / Acre		Total Pd Losses
		Rainfall	Rainfall	April/May	June/July	April/May	June/July	
2007	Excellent	110.9	165.1	\$0	\$0	\$0	\$0	\$0
2006	Below Ave	66.75	86.5	\$66.27	\$14.61	\$40,440	\$40,440	\$40,440
2005	Average	73.7	74.5	\$5.45	\$32.49	\$18,970	\$18,970	\$18,970
2004	Poor	97.3	109.4	\$0	\$0	\$0	\$0	\$0
2003	Good	126.1	72.8	\$0	\$11.12	\$5,560	\$5,560	\$5,560
2002	Average	151.5	81.4	\$0	\$16.14	\$8,070	\$8,070	\$8,070
2001	Excellent	104.3	145.2	\$0	\$0	\$0	\$0	\$0
2000	Below Ave	61.1	115.4	\$56.91	\$0	\$28,455	\$28,455	\$28,455
1999	Below Ave	104.1	47.1	\$0	\$69.56	\$34,780	\$34,780	\$34,780
1998	Average	55.6	169.7	\$64.11	\$0	\$32,055	\$32,055	\$32,055

*This Agency has been making a difference for Ag Operators of every size with tailored, professional risk management programs for over 24 years. With margins as tight as they are, our service means so much to many people whose future is linked to the land. Our commitment is real !!!!! Please stop in to see us in Tipton or give us a call at 800-411-3972 Or 660-433-6300*



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## Pasture, Rangeland and Forage

*YOU CAN'T CONTROL THE  
WEATHER BUT  
YOU CAN BE PREPARED FOR IT!*



**Gibson Insurance Group, Inc.**  
*"The Risk Management Specialist"*

**PRF protects producers  
against the lack of rainfall.  
Dry weather is the single  
biggest cause of forage  
production loss.**

In the past there has been little opportunity to protect a hay, livestock, or seed producer's investment in an operation other than forward pricing of their end product. The USDA's Risk Management Agency has recently expanded a new program to Missouri that provides some needed relief to this sector. This program is a single peril program that insures the producer for the lack of rainfall that will reduce his pasture, hay, and or fescue seed production.

The lack of precipitation is by far the largest factor that affects the amount of tonnage that a farm can produce. When drought hits the livestock sector it is actually worse than when it hits the crop farmer. Not only will we have lost all of our inputs for the year but we are forced to go buy feed in the market that we would not normally have done.

With the PRF program the producer can insure the periods of time when forage is growing and when rainfall is most critical.

### HOW DOES IT WORK?

Coverage is based on precipitation experience in small areas called grids. Grids are 12 x 12 mile "boxes" in which the state has been divided into. PRF offered under the Rainfall Index Plan uses average precipitation data provided by the National Oceanic and Atmospheric Administration (NOAA). Daily measurements are taken from over 15,000 weather stations nationwide and processed by NOAA.

Producers must allocate a percentage of their total insured acres – their total risk – for a given type, grid, and share into a least two 2-month time periods called Index Intervals. There are six Index Intervals per crop year.



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### PRF POLICY DETAILS

- Producers may elect to insure grazing land or hay land. Different county base rates apply to each type
- Producers select a Productivity Factor with a value between 60 and 150% of the County Base Value
- Producers choose a coverage level of 70, 75, 80, 85, or 90. Coverage level is subsidized at a 51% rate.
- PRF is available for landlords, tenants and owner/operators in every county in Missouri
- PRF has an easy application process and an even easier claims process
- Sales closing and acreage reporting is November 30. Premium billing is July 1st of the following year.

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