Crop Revenue Coverage (CRC)
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- CRC is an insurance program that guarantees a stated amount of revenue. CRC (like Income Protection) provides comprehensive protection through a dollar guarantee based on commodity futures prices.

- CRC protects a producer from loss of revenue resulting from low prices, low yields, or a combination of the two.
CRC Attributes

- Same acreage and production reporting dates, optional units and quality adjustments as APH

- Establish a **Minimum Guarantee** per acre
  - Approved yield
  - Base price
  - And selected coverage

- Coverage levels ranging between 50 and 75%, in 5% increments

- Establish a **Harvest Guarantee** per acre
  - Approved yield
  - Harvest Price
  - Selected Coverage
Final Guarantee

- Derive Calculated Revenue
  - \( \text{Calculated revenue} = \text{harvest price} \times \text{yield to count} \)

- The Final Guarantee equals:
  - The greater of the \text{minimum} or \text{harvest guarantee}

- How much is my indemnity?
  - \text{Calculated revenue} is compared with the \text{final guarantee}.
  - If calculated revenue is less than the final guarantee, the producer is paid the difference.
The Base Price is an average of the daily settlement prices, for a month before normal planting time, of a harvest time futures contract.

The **Harvest Price** is an average of the daily settlement prices, for a month near the end of normal harvest, of the harvest time futures contract.
# CRC Price Determination Specifics

<table>
<thead>
<tr>
<th>Crop/Sales Closing Date</th>
<th>Commodity Exchange</th>
<th>Futures Contract</th>
<th>Max %</th>
<th>Base Price Month</th>
<th>Harvest Price Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winter Wheat on 9/30</td>
<td>KCBOT</td>
<td>July</td>
<td>95</td>
<td>Aug.</td>
<td>June</td>
</tr>
<tr>
<td>Cotton on 2/28 and 3/15</td>
<td>NYCE</td>
<td>Dec.</td>
<td>100</td>
<td>Jan 15 to Feb 14</td>
<td>Nov.</td>
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</tbody>
</table>
Example 1

Harvest price ends up higher than the Base Price – With a 34% Production Loss

Approved APH yield = 70 bushels per acre
Coverage Level = 65% Share = 100%
Base Price = $2.20 per bushel
Harvest Price = $3.00 per bushel
Production to Count = 46 bushels per acre
Crop Value = Production to Count x Harvest Price = $138.00
Revenue Guarantee = Approved APH yield x Coverage Level x the higher of Base Price or Harvest Price x Share = $136.50

Revenue Guarantee - Crop Value = CRC Indemnity
$136.50 - $138.00 = $0.00
Example 2

Harvest price ends up higher than the Base Price – With a 57% Production Loss

- Approved APH yield = 70 bushels per acre
- Coverage Level = 65%  Share = 100%
- Base Price = $2.20 per bushel
- Harvest Price = $3.00 per bushel
- Production to Count = 30 bushels per acre
- Crop Value = Production to Count x Harvest Price = $90.00
- Revenue Guarantee = Approved APH yield x Coverage Level x the higher of Base Price or Harvest Price x Share = $136.50

Revenue Guarantee - Crop Value = CRC Indemnity
$136.50 - $90.00 = $46.50
Example 3

Harvest price ends up less than the Base Price – With a 34% Production Loss

Approved APH yield = 70 bushels per acre
Coverage Level = 65% Share = 100%
Base Price = $2.20 per bushel
Harvest Price = $1.35 per bushel
Production to Count = 46 bushels per acre
Crop Value = Production to Count x Harvest Price = $62.10
Revenue Guarantee = Approved APH yield x Coverage Level x the higher of Base Price or Harvest Price x Share = $100.10

Revenue Guarantee - Crop Value = CRC Indemnity
$100.10 - $62.10 = $38.00
Example 4

Harvest price ends up less than the Base Price – With a 57% Production Loss

Approved APH yield = 70 bushels per acre
Coverage Level = 65% Share = 100%
Base Price = $2.20 per bushel
Harvest Price = $1.35 per bushel
Production to Count = 30 bushels per acre
Crop Value = Production to Count x Harvest Price = $40.50
Revenue Guarantee = Approved APH yield x Coverage Level x the higher of Base Price or Harvest Price x Share
= $100.10

Revenue Guarantee - Crop Value = CRC Indemnity
$100.10 - $40.50 = $59.60