

PASTURE, RANGELAND, FORAGE (PRF) INSURANCE

The Pasture, Rangeland, Forage (PRF) Pilot Insurance Program is designed to provide insurance coverage on your pasture, rangeland, or forage acres grown for the intended use of grazing by livestock or haying.

Protect Your Haying and Grazing Land

PRF is designed to give you the ability to buy insurance protection for losses of forage produced for grazing by livestock or harvested for hay, which result in increased costs for feed, destocking, depopulating, or other actions.

PRF is an area-based plan of insurance that uses a rainfall index to determine losses and trigger indemnities.

PRF is available in the 48 contiguous states except for a few grids that cross international borders.

How does the RAINFALL INDEX PRF POLICY work?

- The PRF program uses a numbered grid system. Each grid covers an area equal to 0.25 degrees in latitude by 0.25 degrees in longitude and is identified by a specific number code, referred to as a grid ID. Producers choose the grid IDs appropriate for their operation.
- Producers must choose at least two 2-month periods when precipitation is important for forage growth for their operation. These periods are called index intervals.

- Each day, the National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) obtains data from a minimum of four reporting stations closest to the center of the grid that report data for that day. The gridded precipitation data is an interpolated value for the entire grid and cannot be traced to a single point or reporting station.
- When the precipitation falls below average for the index interval, it triggers a possible loss payment to ranchers who have signed up in that grid.
- Producers do not need to submit a loss claim or notify their agent.

PRF INDEMNITY EXAMPLE

In this example, assume the final grid index is 50, the county base value (CBV) is \$10.20, the coverage level is 90%, the protection factor is 120%, and the trigger grid is 90. The insured has a 100% share.

$$\text{CBV} \times \text{coverage level} \times \text{protection factor} = \text{protection}$$

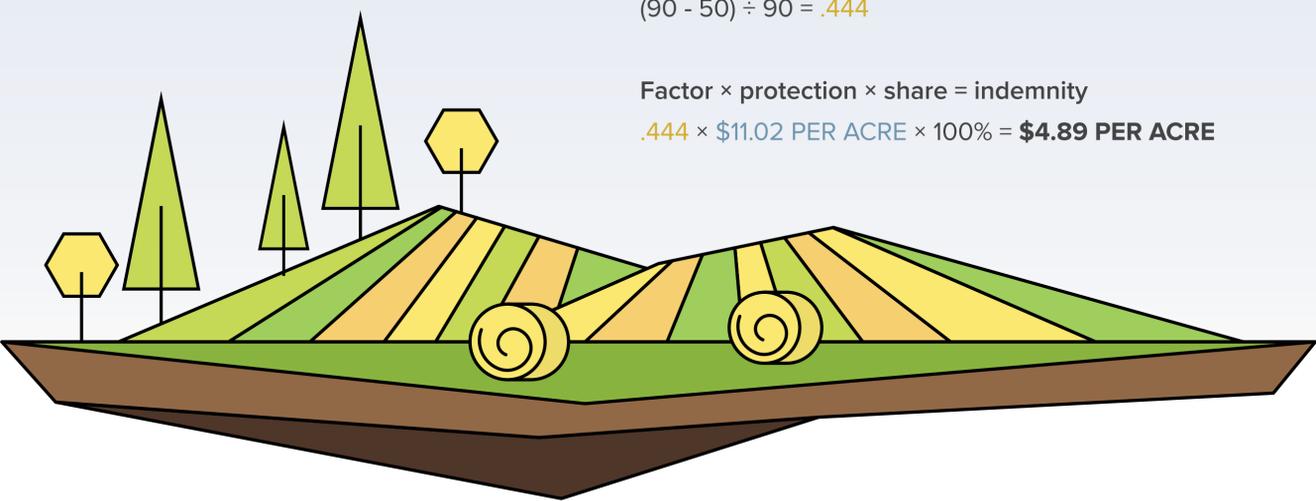
$$\$10.20 \times 90\% \times 120\% = \$11.02 \text{ PER ACRE}$$

$$(\text{Trigger grid} - \text{final grid}) \div \text{trigger grid} = \text{factor}$$

$$(90 - 50) \div 90 = .444$$

$$\text{Factor} \times \text{protection} \times \text{share} = \text{indemnity}$$

$$.444 \times \$11.02 \text{ PER ACRE} \times 100\% = \$4.89 \text{ PER ACRE}$$



FROM THE INDUSTRY EXPERTS: PROAG'S KEYS TO MAXIMUM PRF COVERAGE

Producers should carefully review the following with their trusted ProAg crop insurance agent:

- PRF does not measure the actual crop production of any producer or any of the actual crop production within the area. Indemnity payments are earned only when the Final Grid Index is less than the Trigger Grid Index.
- PRF uses the long-term, historical, gridded precipitation data for the grid ID and index interval. Producers should carefully review the historical experience of each grid ID and index interval.
- PRF offers up to 11 index intervals in which eligible PRF may be insured. Selection of the appropriate index interval(s) is critical. Producers must select the index intervals that include the time period when precipitation is needed to produce grazing and/or haying forage under normal conditions.
- The gridded precipitation data is an interpolated value for the entire grid and cannot be traced to a single point or reporting station. The precipitation received by a producer at a specific location may not match the Final Grid Index.

Learn more about the PRF insurance program from your trusted ProAg agent today.

VISIT US AT PROAG.COM/PRF FOR MORE INFORMATION.

COME EXPERIENCE THE PROAG DIFFERENCE TODAY. For additional information call toll-free (800) 366-2767 or visit our website at ProAg.com/PRF. Follow us on social media @ProAgIns



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