

RAINFALL INDEX - PRF

PASTURE, RANGELAND AND FORAGE - OVERVIEW

Rainfall Index - Pasture, Rangeland and Forage (RI-PRF) is a federally-reinsured product that provides protection against a single peril - lack of precipitation. Coverage can be purchased by landlords, tenants and owner/operators for those acres important to their haying or grazing operation. Producers may select from a variety of coverage levels, productivity factors and two-month index intervals to personalize their plan. The Rainfall Index program uses weather data collected by the National Oceanic and Atmospheric Administration to determine rainfall levels. When the final grid index falls below your trigger grid index, you may receive an indemnity.

New for 2021 Crop Year (CY)

- Previously, the Farm/Tract/Field, CLU, RLU and “etc.” were allowed. “Etc.” has been removed, meaning that BLM is no longer an option. In cases where a Farm/Tract/Field or CLU are not available, an RLU will be required. Luckily, Hudson’s eHarvest system makes RLUs a cinch!
- Failure to provide documentation when requested by Hudson for acreage inspection, verification of points of reference (POR) and/or to verify Application/Acreage Report content, will result in no indemnity being due, but premium is still owed.
- Clarified that a separate point of reference is required for all non-contiguous acreage.

Coverage

- RI-PRF may cover all or a portion of the insured’s acreage, providing flexibility when deciding how to cover their specific risk.
- Plan uses long-term, historical, gridded precipitation data for the grid ID and index interval.
- Each grid and index interval are rated individually, providing options for the producer. The size of each grid translates to approximately 17 miles by 17 miles.
- You cannot insure overlapping intervals.
- The program is an area insurance plan and does not measure, capture or use any actual crop production. The producer’s amount of production is not considered, and no on-the-ground inspection of crop condition is conducted to determine eligibility for an indemnity payment.

AVAILABILITY

RI-PRF is available in the 48 contiguous states, as well as those U.S. acres located in a grid that crosses the U.S. border or along the ocean in the closest grid ID.

COVERAGE LEVELS

Between 70% and 90%
(in 5% increments)

PRODUCTIVITY FACTORS

Between 60% and 150%
(in 1% increments)

IMPORTANT DATES (2021 CY)

- Contract Change Date: 8/31/20
- Sales Closing, Cancellation and Colony Reporting Date: 11/15/20
- Premium Billing: 9/1/21
- End of Insurance: 12/31/21

Premium Subsidies

Coverage Level	70% coverage	75% coverage	80% coverage	85% coverage	90% coverage
Subsidy	59%	59%	55%	55%	51%

By the Numbers

STATE	TEXAS
COUNTY	Hamilton
GRID	13928
ACRES	500
INTENDED USE	GRAZING
COUNTY BASE VALUE	\$ 22.80
COVERAGE LEVEL	85%
PRODUCTIVITY FACTOR	150%
SHARE	100%
SUBSIDY	55%

	TOTAL	PER ACRE
TOTAL PREMIUM	\$ 2,912.00	\$ 5.82
SUBSIDY	\$ 1,602.00	\$ 3.20
PRODUCER PREMIUM	\$ 1,310.00	\$ 2.62
INDEMNITY	\$ 1,502.00	\$ 3.00

INDEX INTERVAL	JAN/ FEB	FEB/ MAR	MAR/ APR	APR/ MAY	MAY/ JUN	JUN/ JUL	JUL/ AUG	AUG/ SEP	SEP/ OCT	OCT/ NOV	NOV/ DEC	
PERCENT VALUE	16%		17%		17%		17%		17%		16%	
DOLLAR AMOUNT OF PROTECTION	\$ 14,535	\$ 2,325.60	\$ 2,470.95		\$ 2,470.95		\$ 2,470.95		\$ 2,470.95		\$ 2,325.60	
PREMIUM RATE		22.05	19.22	17.84	13.22	15.37	19.91	22.13	19.33	19.41	20.97	23.75
PREMIUM		\$ 513	\$ 0	\$ 441	\$ 0	\$ 380	\$ 0	\$ 547	\$ 0	\$ 480	\$ 0	\$ 552
SUBSIDY		\$ 282	\$ 0	\$ 243	\$ 0	\$ 209	\$ 0	\$ 301	\$ 0	\$ 264	\$ 0	\$ 304
PRODUCER PREMIUM		\$ 231	\$ 0	\$ 198	\$ 0	\$ 171	\$ 0	\$ 246	\$ 0	\$ 216	\$ 0	\$ 248
FINAL GRID INDEX		48.7	120.0	185.1	186.0	148.7	93.2	155.7	179.0	67.5	83.3	122.4
INDEMNITY		\$ 993	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 509	\$ 0	\$ 0

* To create premium estimate scenarios as shown above, utilize the "Estimator" tool in Hudson's eHarvest™ processing system.

* If the Final GRID index value is less than the coverage level, then:

$$\text{Payment Factor} = (\text{Coverage Level} - \text{Final GRID Index value}) / \text{Coverage Level}$$

* Indemnity = Dollar Amount of Protection for the Interval x Interval Payment Factor

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