



PASTURE, RANGELAND, FORAGE (PRF) PILOT INSURANCE PROGRAM

Pasture, Rangeland, Forage

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.

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

The PRF insurance plan is a risk management tool designed to insure against a decline in an index value that is based on the long-term, historical, average precipitation for the same area of land for the same period of time, Rainfall Index. It does not measure, capture, or use the actual crop production of any producer or any of the actual crop production within the area.

Coverage

Pasture, Rangeland, Forage insurance was designed to help protect your operation from the risks of forage losses that are produced for grazing or harvested for hay resulting in increased costs for feed.

You are not required to insure all your acres, and you cannot exceed the total number of grazing or haying acres you operate. The program provides protection while allowing you to insure only those acres that are important to your grazing program or hay operation. By selecting a productivity factor, you can establish a value between 60 and 150 percent of the county base value and match the amount of your protection to the value of forage that best represents your specific grazing or hay operation.

The Rainfall Index uses National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data. PRF uses an unnumbered grid system where each grid is approximately 17 x 17 miles, and does not follow state, county, or other geopolitical boundaries. You must select at least two, 2-month periods where precipitation is important to your operation. These periods are called index intervals.

Availability

PRF is available in the 48 contiguous states with the exception of a few grids that cross international borders.

Buying a PRF Policy

You can buy a PRF policy from your ProAg crop insurance agent by the sales closing date shown for each county in the actuarial documents. For most states and counties, the Sales Closing Date is November 15th.

Coverage and Claims

Your potential insurance payments are determined by using NOAA CPC data for the grid(s) and index interval(s) you have chosen to insure. Indemnity payments are earned by eligible producers when the Final Grid Index is less than the result of multiplying the Expected Grid Index by the coverage level selected by the producer, which is referred to as the Trigger Grid Index. This insurance coverage is for a single peril, lack of precipitation. It does not cover other perils such as, but not limited to, flood, fire, and hail and is not based on individual farms or ranches or specific weather stations in the general area.

Because RI-PRF is an area insurance plan and does not measure, capture, or use any actual crop production, an eligible producer may experience a production loss and



not receive an indemnity payment. However, it is also possible for an eligible producer to receive an indemnity payment without suffering a loss of actual production. The producer's amount of production is not considered and no on-the-ground inspection of crop conditions is conducted to determine eligibility for an indemnity payment.

Tools

You will be asked to make several choices when insuring your grazing or hay production including: coverage level, percent of value, index intervals, irrigated practice, productivity factor and number of acres. You should work with your ProAg crop insurance agent to view the Grid ID Locator map and index grids for your area, and assign acreage to one or more grids based on the location and use of the acreage to be insured.

If you want to prepare for the conversation with your ProAg agent, RMA's website contains the Grid ID Locator, historical indices tool, and decision support tools to help you decide whether PRF is the right insurance choice for your operation. You are insuring a rainfall index that is expected to estimate your production. Please review the historical indices tools for your grid along with past production records to determine if these programs will work for your operation and which periods work best for your forage production.

Policy Highlights

The PRF program is designed to allow maximum flexibility to meet the risk management needs of your operation. The pricing methodology takes into account your replacement costs for feed and the actual losses you experience. RMA is also offering an irrigated hay practice in some states that is designed to cover above normal irrigation expenses when normal precipitation shortfalls are observed. However, normal irrigation costs are not covered.

Not all coverages or products may be available in all jurisdictions. The description of coverage in these pages is for informational purposes only. Actual coverages will vary based on the terms and conditions of the policy issued. The information described herein does not amend, or otherwise affect, the terms and conditions of any insurance policy issued by ProAg or any of its subsidiaries.

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Come experience the ProAg difference today.

ProAg is on a singular mission to meet the risk-management needs of the American farmer and rancher. As a strong and progressive company, we provide support and guidance to the agents who serve those producers, helping them expand and strengthen their businesses. Because many of us are farmers and ranchers ourselves, we have a firsthand understanding of production agriculture and the risks inherent in the profession. No organization is more knowledgeable about agricultural risk management than ProAg.

As one of the first companies in the crop insurance industry, ProAg is built on a strong foundation of experience and backed by the support and resources of a leading global parent company, Tokio Marine HCC. Contact us to learn more.