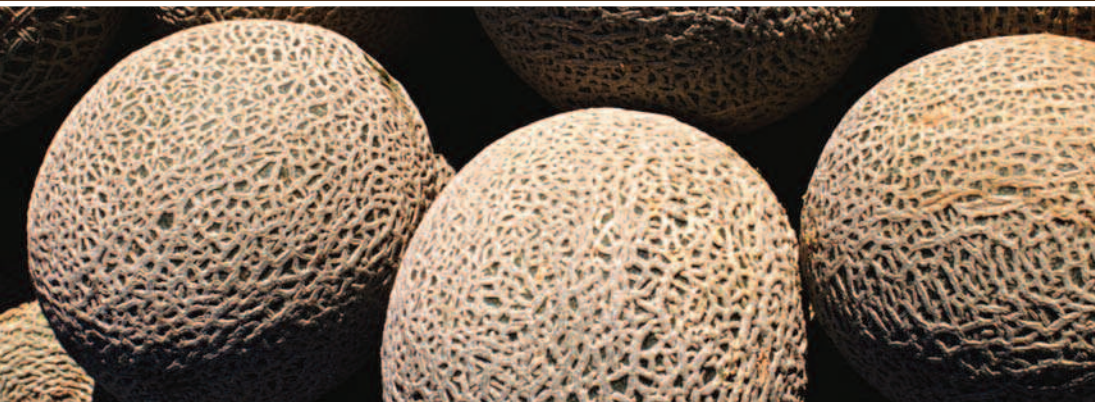


# ADJUSTED GROSS REVENUE INSURANCE

(AGR)





## ADJUSTED GROSS REVENUE INSURANCE PLAN

Adjusted Gross Revenue (AGR) Insurance provides protection against low revenue due to unavoidable natural disasters and market fluctuations that occur during the insurance year. AGR-covered farm revenue consists of income from agricultural commodities, including incidental amounts of income from animals and animal products and aquaculture reared in a controlled environment.

The AGR Plan:

- Uses a producer's historical IRS tax form (Schedule F or equivalent form) information and an annual farm report as a base to provide a level of **guaranteed revenue** for the insurance period;
- Provides insurance coverage for multiple agricultural commodities in one insurance policy; and
- Establishes revenue as a common denominator for the production of all agricultural commodities.

### AVAILABILITY

(\*not available in all counties)

California*	Connecticut	Delaware	Florida*
Idaho*	Maine	Maryland*	Massachusetts
Michigan*	New Hampshire	New Jersey	New York*
Oregon*	Pennsylvania*	Rhode Island	Vermont
Virginia*	Washington*		

### INSURED CAUSES OF LOSS

Insurance is provided against revenue loss due to any unavoidable natural occurrences during the current or previous insurance year or due to market fluctuations that cause a revenue loss during the current insurance year. No payment will be made for losses due to negligence, mismanagement, or wrongdoing by the policyholder, the policyholder's family, household members, tenants, employees, or contractors; crop abandonment; bypassing of acreage; or other causes listed in the insurance policy.

### TIMELINE

**Sales Closing Date:** You must buy or cancel your policy on or before January 31.

**Beginning of Insurance:** All existing policies roll over each year if they are not canceled or changed. The insurance attaches each year on January 1. For new policies, insurance coverage will begin 10 days after a properly completed application is received.

**Contract Change Date:** You must make any and all changes to your insurance contract on or before August 31.

**Insurance Year:** Defined as a calendar year in which the sales closing date occurs and includes both calendar-year and fiscal-year filings (corresponding to the policyholder's IRS tax period).

**Claims:** Claims are settled after taxes are filed for the insurance year.



### PRODUCER ELIGIBILITY

A producer must meet these criteria to be eligible for AGR coverage:

- Be a U.S. citizen or resident;
- File a calendar year or fiscal year farm tax return;
- Produce agricultural commodities primarily in insurable counties (may include income from contiguous counties);
- Policy liability cannot exceed \$6.5 million;
- Have had the same tax entity for 7 years (filed 5 consecutive years of Schedule F tax forms, plus previous year and insurance year) unless a change in tax entity is reviewed and approved by the insurance provider;
- Purchase traditional Federal crop insurance, if available, when more than 50 percent of expected income is from insurable commodities (when producers purchase both AGR and other crop insurance plans, the AGR premium will be reduced);
- Earn no more than 35 percent of expected allowable income from animals and animal products;
- Have no more than 50 percent of total revenue from commodities purchased for resale;
- Have no more than 83.35 percent of total revenue derived from potatoes;
- Not have tilled or planted on native sod acreage greater than five acres for the production of any annual agricultural commodity after May 22, 2008, when the Governor of the State within the Prairie Pothole National Priority Area has declared acreage of native sod planted to an annual crop ineligible for crop insurance.

## APPLICATION REQUIREMENTS

Producers must submit the following information—

- A history calculation worksheet, including 5 years of allowable income and expense data from IRS tax returns (Schedule F or equivalent forms);
- An annual farm report for the insurance year listing each commodity to be produced, the expected quantity of the commodity to be produced, and the expected price for the commodity;
- Beginning inventories, if applicable; and
- An indication of changes that will result in lower income for the insurance year than the historical average.

## LOSS PAYMENTS

Loss payments are triggered when the adjusted income for the insured year is less than the loss inception point. The loss inception point is calculated by multiplying the approved adjusted gross revenue times the selected coverage level. Once a revenue loss is triggered, the insured is paid based on the payment rate selected, either 75 cents or 90 cents for each dollar lost.

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Serving the  
*American Farmer* for Over  
**80** Years



## AVAILABLE PROTECTION AMOUNTS

Coverage Payment		Minimum # of Commodities*	Maximum Annual Income**
Level	Rate		
65	75	1	\$13,333,333
65	90	1	\$11,111,111
75	75	1	\$11,555,555
75	90	1	\$ 9,629,630
80	75	3	\$10,833,333
80	90	3	\$ 9,027,777

\* Must meet minimum income requirements.

\*\* The Maximum Annual Income represents the maximum approved farm revenue at each coverage level and payment rate to be eligible for AGR due to the \$6.5 million maximum liability allowed.

## CHOOSING A REVENUE GUARANTEE

AGR liability (protection) is calculated by multiplying the approved adjusted gross revenue by the coverage level and payment rate percentage selected by the producer. Coverage levels and payment rate eligibility vary with the number of commodities produced and are selected by the producer from the county actuarial document. A producer selects one amount of coverage.



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