Group Risk Plan (GRP)

Group Risk Plan (GRP) insurance is designed as a risk management tool to insure against widespread loss of production of the insured crop in a county.

Counties Available

GRP is available in many of the counties for the states and crops as shown below:

- **Corn**: DE, MD, NC, NJ, NY, PA, VA, WV
- **Cotton**: NC
- **Forage Production**: MD, PA
- **Peanuts**: NC, VA
- **Soybean**: DE, MD, NC, NJ, VA
- **Wheat**: DE, MD, NC

Important Dates

<table>
<thead>
<tr>
<th>Crop</th>
<th>Sales Closing</th>
<th>Acreage Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corn</strong></td>
<td>February 28</td>
<td>June 30</td>
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<tr>
<td></td>
<td>March 15</td>
<td>July 15</td>
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<tr>
<td><strong>Cotton</strong></td>
<td>February 28</td>
<td>June 30</td>
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<td></td>
<td>November 30</td>
<td>May 15</td>
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<tr>
<td><strong>Forage Production</strong></td>
<td>November 30</td>
<td>May 15</td>
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<td><strong>Peanuts</strong></td>
<td>February 28</td>
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<tr>
<td><strong>Soybeans</strong></td>
<td>Sales Closing</td>
<td>Sales Closing</td>
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<td></td>
<td>June 30</td>
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<tr>
<td><strong>Wheat</strong></td>
<td>September 30</td>
<td>November 30</td>
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<td></td>
<td>November 30</td>
<td>December 15</td>
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</table>

Definitions

- **Dollar amount of protection per acre**— The percentage of coverage selected multiplied by the maximum protection per acre specified in the actuarial documents for the crop, practice, and type.

- **Expected county yield**— The yield contained in the actuarial documents on which the coverage for the crop year is based. This yield is determined using historical county average yields, as adjusted by FCIC.

- **Maximum protection per acre**— The highest amount of protection specified in the actuarial documents.

- **NASS**— National Agricultural Statistics Service, an agency within USDA which publishes the official U.S. Government crop yield estimates.

- **Payment yield**— The yield determined by FCIC based on NASS yields for each insurable crop’s type and practice, as adjusted by FCIC, and used to determine whether an indemnity will be due.

- **Trigger yield**— The result of multiplying the expected county yield by the coverage level percentage chosen. When the payment yield falls below the trigger yield, an indemnity is due.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.
**Alternative Plan**
GRP is a dramatic departure from traditional approaches to crop insurance protection with less paperwork and generally less cost than multiple peril crop insurance (MPCI). The policy was developed on the basis that when an entire county’s crop yield is low, most farmers in that county would also have low yields. This is not a plan of insurance against individual loss. A producer may have a low yield on a farm and not receive a payment. This program is based upon county yields, not individual farm yields.

**Expected County Yield**
The expected county yield used for GRP is calculated using many years of county data from the National Agricultural Statistics Service (NASS) with an adjustment for the yield trend.

**Coverage Levels**
Producers must choose one coverage level for each crop and county combination. The grower selects the dollar amount of protection per acre and one of six coverage levels (CAT, 70, 75, 80, 85, or 90 percent) of the Federal Crop Insurance Corporation (FCIC) expected county yield. Rather than selecting a production guarantee, the producer selects a dollar value of coverage per acre. The maximum dollar value that can be chosen is equal to 150 percent of the expected county yield multiplied by a price-determined by RMA.

**Loss (Indemnity) Payments**
Indemnities are paid when the NASS county yield for the county falls below the “trigger yield.” The trigger yield is the expected county yield multiplied by the selected coverage level. Indemnity payments are made about 6 months after harvest of the crop. The payment calculation factor will be [(trigger yield - payment yield) ÷ trigger yield] for the purposes of calculating an indemnity payment.

**Loss Example**
This example assumes 100 percent maximum protection/acre of $257.28, and an 80-percent coverage level.

- 77.3 Bushels per acre expected county yield
- \( \times 0.80 \) Coverage level
- 61.8 Bushels per acre trigger yield
- 40.0 Bushels payment yield (determined by RMA based on NASS yields)
- $257.28 Maximum protection per acre
- \( \times 0.353 \) Payment calculation factor*
- $90.82 Gross indemnity per acre
- $86.37 Estimated premium per acre
- **$86.37 Net indemnity per acre**

\*[{(61.8 bu - 40.0 bu) ÷ 61.8 bu}]

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