Crop Insured
Soybeans may be insured under the crop revenue coverage (CRC) plan of insurance if planted on insurable acreage located in a county with applicable actuarial documents.

CRC provides protection against a decline in market prices as well as a shortfall in production. The guarantee is in dollars and a loss situation occurs when the dollar value of your production falls below your dollar guarantee. CRC offers protection whether prices rise or fall:

- In most years when the price usually declines as harvest approaches, you are guaranteed a pre-determined amount of income per acre
- In a year of rising prices, a production shortfall would be compensated at the higher market-based harvest price. This is critical if any lost production must be replaced at higher market prices to fulfill delivery on a forward contract.

Counties Available
Soybean CRC is available in most NC counties.

Causes of Loss
Adverse weather conditions\(^1\)
Failure of irrigation water supply\(^2\)
Fire
Harvest price is less than base price
Insects\(^3\)
Plant disease\(^3\)
Wildlife

\(^1\)Natural perils such as hail, drought, and excess precipitation. \(^2\)If caused by an insured peril during the insurance period. \(^3\)But not damage due to insufficient or improper applications of control measures.

Insurance Period
Coverage begins when the crop is planted and ends at the earliest of: (1) total destruction of the crop, (2) harvest of the crop, (3) abandonment of the crop, (4) final adjustment of a claim, (5) December 10, 2008.

Reporting Requirements
You must notify your agent or insurance company representative within 72 hours of discovery of any damage to your crop.

- If crop damage is initially discovered during harvest, you must notify your agent immediately and leave representative samples of the unharvested crop at least 10 feet wide and the entire length of the field.
- If you expect a revenue loss on the unit, you must give notice no later than 45 days after the harvest price is released.

Important Dates
Sales Closing .........................February 28, 2008

Note: Final planting and acreage reporting dates vary by county. Consult a crop insurance professional for specific dates in your county.

Definitions
Average APH Yield—Your average yield per acre based on your actual production history (APH), county yields, or other adjusted yields if appropriate.

Base Price—The price that determines the Minimum Guarantee and premium is based on the September Chicago Board of Trade (CBOT) futures contracts average daily price during the period December 15, 2007 — January 14, 2008.

Coverage Level—You select a level of protection from 50 to 75 percent (up to 85 percent in some counties) of your average APH yield.

Minimum Guarantee — Average APH yield X base price X coverage level:

Example: 30 bushels per acre \(\times\) $7.00 \(\times\) .70 = $147 per acre minimum guarantee

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.
Harvest Price — The price used to determine calculated revenue and harvest guarantee is based on the September CBOT futures contracts average daily price during August 2008.

Harvest Guarantee — Average APH yield X harvest price X coverage level:

Example: 30 bushels per acre $6.00 X .70 = $126 per acre harvest guarantee

Calculated Revenue — Value of your production determined by bushels produced X harvest price:

Example: 10 bushels per acre produced X $6.00 = $60 per acre calculated revenue

NOTE: The actual price you receive for selling your crop is not a factor in CRC calculations.

Final Guarantee — Higher of the minimum or harvest guarantee.

NOTE: Your premium will not increase if final guarantee is higher than the minimum guarantee.

Indemnity — Final guarantee – calculated revenue:

Example: $147 – $60 = $87 per acre indemnity

Price Elections

<table>
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<tr>
<th>YEAR</th>
<th>BASE PRICE*</th>
<th>HARVEST PRICE**</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>2007</td>
<td>7.11</td>
<td>8.44</td>
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<td>2006</td>
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<td>5.57</td>
</tr>
<tr>
<td>2005</td>
<td>5.53</td>
<td>6.28</td>
</tr>
</tbody>
</table>

* Published on or after January 15 of the crop year.
** Published on or after September 1 of the crop year.
NA-Not available at this time.

Price elections will be posted on the RMA Web site:
http://www3.rma.usda.gov/apps/pricesinquiry/

Insurance Units
Insurable acreage is grouped into one or more units based on your selection of one of the following:

Basic Unit: A basic insurance unit includes all your soybean acreage in the county by share arrangement. Premiums are reduced 10 percent for basic units.

Optional Units: If qualified, you may further divide a basic unit into optional units by farm serial number or irrigated/non-irrigated land. The 10-percent basic unit premium discount will not apply.

Enterprise Unit: An enterprise unit combines all your soybeans in the county into one county-wide unit, regardless of ownership, share, or rental arrangement. A premium discount will apply, based upon the number of insured acres. You must qualify for two or more basic/optional units to be eligible.

Loss Example
This example assumes an average yield of 30 bushels per acre, base price of $7.00, harvest price of $8.00, production-to-count of 10 bushels per acre, one basic unit, 70-percent coverage level.

30 Bushels per acre average APH yield
x .70 Coverage level
21 Bushels per acre guarantee basis
x 7.00 Base price per bushel
147 Minimum guarantee per acre

When the harvest price is announced in September, a harvest guarantee is calculated. The final guarantee is the higher of the minimum or harvest guarantee.

Harvest guarantee per acre = $168
(21 bushels per acre X $8.00 harvest price)

$168 Final guarantee per acre (higher of minimum or harvest guarantee)
– 80
$88 Calculated revenue (10 bushels per acre produced X $8.00 harvest price)
– 10
$78 Net indemnity per acre

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