

November 1, 2007

AgriVantage Insurance Clients:

Due to a decrease in the December corn futures (fall price vs. spring price), trigger yields increased which will raise the guaranteed bushels. This could result in a possible claim for those with CRC crop insurance even though 2007 yields are above your original bushel guarantees.

The CRC policy uses the October average of December corn futures. The October average of December corn futures is \$3.58 versus the spring price of \$4.06.

Corn: The trigger yield projected conversion factor is 1.134 (spring price/projected fall price).

Example: 160 bushel APH - 80% RA policy

$$128 \text{ bushels (acre guaranteed)} \times \$4.06 \text{ (current guaranteed spring price)} = \$519.68 \text{ (guaranteed revenue/acre)}$$

$$\$519.68/\text{acre divided by } \$3.58/\text{bushel} = 145.16 \text{ bushels/acre guarantee}$$

You will now be guaranteed 145.16 bushels per acre instead of 128 bushels per acre.

You could have a possible claim due to a loss in revenue even though 2007 corn yields were above guaranteed bushels. Once harvest is complete producers need to check each unit for a possible crop insurance loss.

The conversion factor on the attached pages demonstrates how your trigger yields will be raised above spring-based guaranteed bushels. AgriVantage's user-friendly worksheet enables you to quickly figure a new projected trigger yield for your individual situation.

Beans: Trigger Yield Unchanged - Fall price \$9.75 / Spring price \$8.09

For 2007, soybean yields must be below original guaranteed bushels to create an indemnity payment.

Corn:

Spring-based Guaranteed Bushels/Acre		Projected Conversion Factor		Projected Trigger Yield
_____	X	1.134	=	_____

If you have any questions, please call. We can help you determine if you may have a potential revenue loss.

Have a safe harvest.

Rodney Petersen

Susie Hartmann