

DAIRY REVENUE — PROTECTION —

Insure Your Operation Against a Decline in Milk Sales

Dairy Revenue Protection (Dairy-RP) is designed to insure against unexpected declines in the quarterly revenue from milk sales relative to a guaranteed coverage level. The expected revenue is based on futures prices for milk and dairy commodities, and the amount of covered milk production elected by the dairy producer.

Pricing & Availability **[Available in all counties throughout all 50 states]**

The **Class Pricing Option** uses a combination of Class III and Class IV milk prices as a basis for determining coverage and indemnities.

The **Component Pricing Option** uses the component milk prices for butterfat, protein, nonfat solids, and other solids as a basis for determining coverage and indemnities. Under this option, the producer may select the butterfat test percentage and protein test percentage to establish an insured milk price.

Coverage Details

- Coverage is established by adding quarterly coverage endorsements to a policy
- Dairy-RP will not be sold on days where the monthly USDA Milk Production, Dairy Products, and Cold Storage reports are released
- Milk or dairy commodity prices that experience a limit up or down move in the futures markets will not be available for determining the quarterly expected revenue
- A sales period begins each day when the coverage prices and rates are validated and published on the RMA's website by 4:30 p.m. CST and ends at 9:00 a.m. CST of the following business day, at which time a producer can purchase quarterly endorsements
- If prices are not available, Dairy-RP will not be offered for sale for the insurance period

Dairy-RP provides insurance only for the difference between the final revenue guarantee and actual milk revenue, times actual share and protection factor, caused by natural occurrences in market prices and yields in the pooled production region. Dairy-RP does not insure against: death of dairy cattle, other loss or destruction of your dairy cattle, or any other loss or damage of any kind whatsoever.



Coverage Example

*For actual prices and rates, refer to RMA's website or work with an approved AgriPrime agent

State	Wisconsin
Quarterly Insurance Period	Jul-Sep 2021
Declared Milk Production (lbs.)	10,000,000

Coverage Level	95%
Protection Factor	1.0
State Exp. Quar. Milk per Cow (lbs.)	6,282

CLASS PRICE OPTION

Class III Expected Price (\$/cwt)	\$17.69
Class III Weight Factor	1
Class IV Expected Price (\$/cwt)	\$15.70
Class IV Weight Factor	0



Class III Weighted Exp. Price	\$17.69
Class IV Weighted Exp. Price	\$0.00
Weighted Expected Price	\$17.69
Quarterly Revenue Guarantee	\$1,680,550
Quarterly Liability	\$1,680,550
Premium Rate	0.0333
Total Premium	\$55,962 / \$0.56 per cwt
Subsidy (44%)	\$24,623 / \$0.25 per cwt
Producer Premium	\$31,339 / \$0.31 per cwt
Actual Milk Production (lbs.)	12,000,000
State Act. Quar. Milk Per Cow (lbs.)	6,300
Yield Adjustment Factor	1
Class III Actual Price	\$15.55
Class IV Actual Price	\$15.25
Weighted Actual Price	\$15.55
Final Quar. Actual Revenue	\$1,555,000 / \$15.55 per cwt
Quar. Revenue Guarantee	\$1,680,550 / \$16.81 per cwt
Indemnity	\$125,550 / \$1.26 per cwt
Net	\$94,211.00 / \$0.94 per cwt

COMPONENT PRICE OPTION

Butterfat Expected Price	\$2.0994
Declared Butterfat Test	4.5
Protein Expected Price	\$2.7571
Declared Protein Test	3.2
Other Solids Expected Price	\$0.2085
Other Solids (OS) Test	5.7
Weight Factor (BF, P, OS)	0.5
Nonfat Solids Expected Price	\$0.8010
Nonfat Solids Test / Weight Factor	8.9 / 0.5
BF, P, OS Weighted Exp. Price	\$9.7292
NF Solids Weighted Exp. Price	\$8.2881
Weighted Expected Price	\$18.0173
Quarterly Revenue Guarantee	\$1,711,647
Quarterly Liability	\$1,711,647
Premium Rate	0.04819
Total Premium	\$82,484.26 / \$0.82 per cwt
Subsidy (44%)	\$36,293.07 / \$0.36 per cwt
Producer Premium	\$46,191.19 / \$0.46 per cwt
Actual Butterfat Test	4.4
Actual Protein Test	3.1
Butterfat Actual Price	\$1.8875
Protein Actual Price	\$2.4210
Other Solids Actual Price	\$0.1967
Nonfat Solids Actual Price	\$0.7456
Weighted Actual Price	\$16.1547
Final Quar. Actual Revenue	\$1,615,471 / \$16.15 per cwt
Quarterly Revenue Guarantee	\$1,711,647 / \$17.12 per cwt
Indemnity	\$96,176 / \$0.96 per cwt
Net	\$49,984.48 / \$0.50 per cwt



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