Cooperative Extension Service

2016 Crop Insurance Risk/Reward Analysis Aid

For questions and comments related to the Interactive Crop Insurance Risk/Reward Analysis Aid contact Breana Watkins at 870-526-2199 ext. 100 or bjwatkins@uaex.edu.

General Information

The interactive crop insurance risk/reward analysis aid was designed for producers and is available through the USDA Risk Management Agency. The project was led by the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri, and the Agricultural and Food Policy Center (AFPC) at Texas A&M University.

User Guide

The 2016 crop insurance analysis tools can be accessed at https://usda.afpc.tamu.edu/home.

You must register an account to use the decision aid. This is the same account used for the 2014 Farm Bill Decision Aid.

This will also allow you to use the decision aid for future crop insurance analysis.

If you have an account from use with the farm bill decision aid, enter the information and choose "Login".

If an account has not been created for the decision aid, create an account by selecting "Register" and following the instructions for setting up the new account.

After creating an account or signing in with your existing account, You will need to set up each farm unit for your operation. To enter in any new farm units, select the add new farm unit button.

Even if you have previously entered data for the 2014 farm bill decision aid, review each farm unit to check for correct information and add updated yields.

The following is information you will need to enter for each farm unit.

Edit Farm Unit

Create one farm unit for each unique FSA number - crop - practice combination on your farming operation. To utilize the crop insurance tools, separate tracks or insurance units within a single FSA number.

Farm Name
Lost 40

Description
Soybeans - Craighead County

FSA #
12345

Crop
Soybeans

Administrative State
Arkansas

Type
Commodity Soybeans

Administrative County
Craighead

Practice
Not Following Another Crop, Irrigated

Yields & Base

Counter Cyclical Yield
50.00 bu/ac

2013 Base Acres
1500.00

Basis

Harvest Time Basis
-0.15 $/bu

Crop Insurance

Rate Yield
40.00 bu/ac

Approved APH Yield
43.00 bu/ac

2014 Insurance Policy

Polcy Type
Revenue Protection

Coverage
75%

Unit Structure
Enterprise

Future Acres

2014
1500.0

2015
1500.0

2016
1500.0

2017
1500.0

2018
1500.0

Delete | Yields | Save

If you previously set up farm units for use with the 2014 farm bill decision aid, much of this information will already be entered. However, you may need to enter information for the basis, and crop insurance boxes.

Farm Name and Description allows you to easily identify the property which corresponds with the farm unit. FSA #, Crop, Administrative State, Administrative County, Counter Cyclical Yield, and 2013 Base Acres. This information can be found from FSA-156EZ forms.

Next you will need to enter the crop type and practice in the drop down selections. For this farm unit, commodity soybeans refers to the type of soybean and not following another crop, irrigated refers to the irrigation type.

Enter in a harvest time basis: This is used to calculate expected market receipts for selling your crop. This number may be negative or positive, and must be in the same price units as the farm unit's crop.

In the crop insurance box, rate yield is the simple average of your production history yields without any plugs (only includes actual yields). Approved APH yield is the yield used to determine your insurance guarantee. The approved yield is typically found on your production and yield report supplied by your crop insurance agent. The approved yield is calculated by summing the yearly actual, assigned, adjusted or unadjusted transitional yields and dividing the sum by the number of yields in your production history.

Future Acres are your intended planted acres for 2014-2018. These acres do not have to be historical or base acres, but help in assessing the risk/reward for crop insurance decisions.

Finally the 2014 Insurance Policy Box is where you enter in the information for previous policies. Policy type, coverage, and unit structure can all be found by contacting your crop insurance agent.

Save your information and return to the home screen. You should now see this farm unit listed under Your Farm Units.

Next you will need to enter in 10 year of historical yields if you have not done so previously. For the actual yields per planted acre you should only enter "A-Yields" as reported on crop insurance Actual Production History Summaries. Do not enter T-yields or any other non-actual yields denoted by other letters (for example: P, T or Z).

Historical Yields
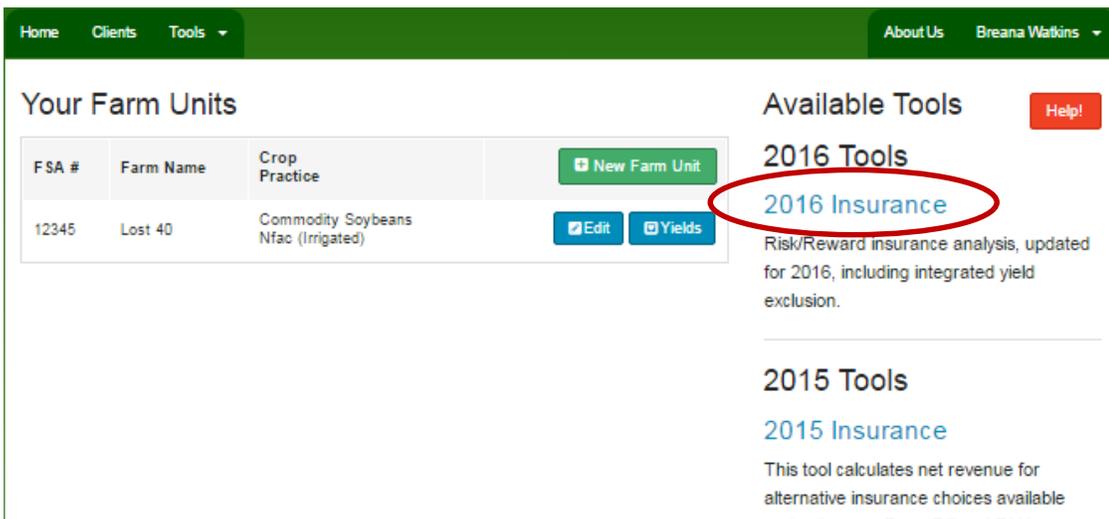
Lost 40 Soybeans Irrigated FSA # 11223

Enter yields for 10 or more years to get the full benefit of the insurance analysis capabilities of the decision aid. Yield risk for the crop will not be representative of actual variability if only yields for 2008-2012 are entered.

Year	?	Actual Yield / Planted Acre ?	Planted Acres	?	Prevented Planted Acres ?	
2004		31.2	1500.0		0.0	Delete
2005		30.8	1500.0		0.0	Delete
2006		31.0	1500.0		0.0	Delete
2007		39.1	1500.0		0.0	Delete
2008		33.0	1500.0		0.0	Delete
2009		37.4	1500.0		0.0	Delete
2010		41.0	1500.0		0.0	Delete
2011		38.3	1500.0		0.0	Delete
2012		47.2	1500.0		0.0	Delete
2013		35.0	1500.0		0.0	Delete
						Add Yield

Done Entering Yields

After you have entered in the historical yields, to run the Risk/Reward analysis return to the home page.

Select 2016 Insurance to run the risk/reward analysis.

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Your Farm Units

Available Tools Help!

FSA #	Farm Name	Crop Practice		
			New Farm Unit	
12345	Lost 40	Commodity Soybeans Nfac (Irrigated)	Edit	Yields

2016 Tools

2016 Insurance

Risk/Reward insurance analysis, updated for 2016, including integrated yield exclusion.

2015 Tools

2015 Insurance

This tool calculates net revenue for alternative insurance choices available under the new Farm Bill and RMA

On the next screen "Insurance 2016" you will select "get started".

Insurance 2016

This tool characterizes the probabilities of realizing many levels of net revenue given the many choices you might make. Here, net revenue includes your market receipts plus crop insurance and shallow loss indemnities, minus crop insurance and shallow loss premiums, plus any FSA program payments. Choices that can be evaluated are

- Crop insurance policy type (Yield Protection (YP) ❓, Revenue Protection (RP) ❓, or Revenue Protection with Harvest Price Exclusion (RP-HPE) ❓)
- Crop insurance unit structure (optional or enterprise)
- Crop insurance coverage level
- Yield trend-adjustment option
- Shallow loss option (SCO ❓ for most crops, SCO or STAX ❓ for upland cotton)
- FSA program choice (PLC ❓ or ARC ❓)
- Yield exclusion years

This tool relies on previously-entered data about your RMA tracts for each state-county-crop-practice combination. If you have not yet entered data, create a farm unit from Home.

Get Started

After clicking on get started, you will select the crop intended for the farm unit.

Insurance 2016

Select a Crop

Your data reflect the following state-county-crop-practice combinations. Please choose the combination you wish to use for the analysis.

- Not Following Another Crop, Irrigated Commodity Soybeans in Craighead, Arkansas
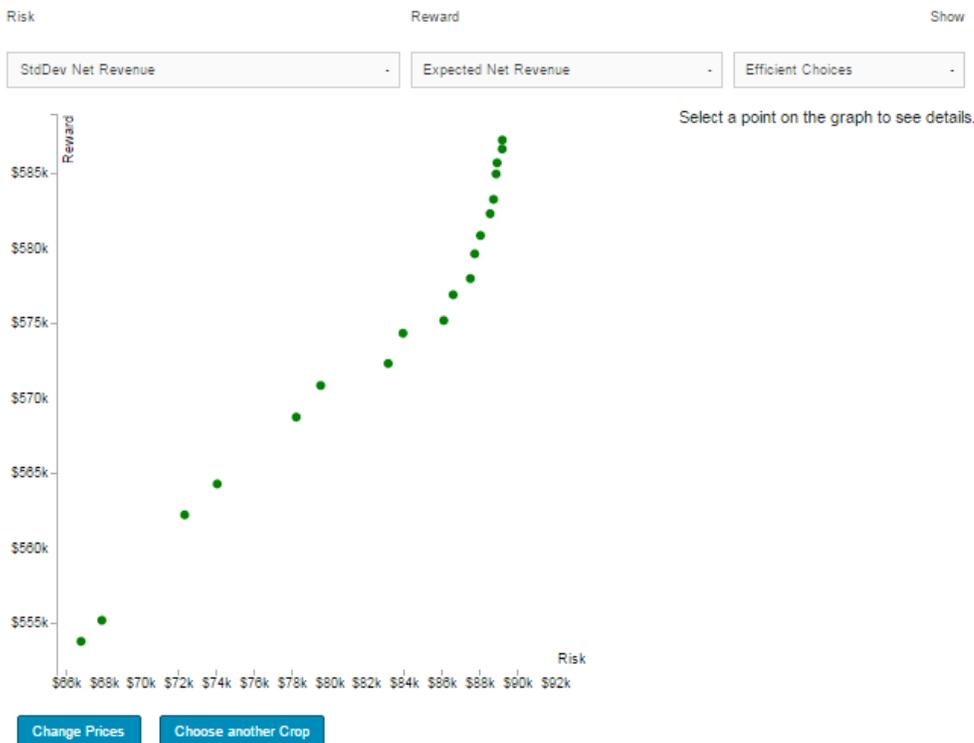
Need more help? Found a bug? Contact Us | Cambiar a español

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Finally, you will enter in your 2014 Farm Bill Election (ARC or PLC) and the projected price. The projected price will be announced by RMA.

Select "Analyze Options" to reveal the risk/reward analysis

University of Arkansas, United States Department of Agriculture and County Governments Cooperating.