Aggregate Risk and Revenue Management Program - 2011 Example

TWO CONDITIONS MUST BE MET BEFORE PAYMENTS CAN BE ISSUED:

1. CRD TRIGGER: **2011 ARRM Program Guarantee** **must exceed** **2011 Actual CRD Revenue**

90%
times
2006-10 olympic average CRD Revenue
where CRD Revenue for each year = CRD planted yield times national ave. crop insurance harvest price

2011 Actual CRD Yield
times
2011 national ave. harvest crop insurance price

2. FARM TRIGGER: **2011 Farm ARRM Benchmark Revenue** **must exceed** **2011 Actual Farm Revenue**

Actual Production History (APH) Yield
times
ARRM Program Guarantee Price (2006-10 olympic ave. national crop insurance harvest price)

plus
2011 Producer-paid Crop Insurance Premium

2011 Actual Farm Yield
times
2011 national ave. harvest crop insurance price

CALCULATION OF FARM PAYMENT FOR AN ELIGIBLE COMMODITY

Payment acres = 85% times farm's planted acres times APH Yield divided by Benchmark CRD Yield times

Lesser of:

- **ARRM Program Guarantee** minus **Actual CRD Revenue**
- **ARRM Program Guarantee** times **15%**

= payment to producer