



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>.

USDA United States Department of Agriculture Farm Service Agency

AFPC | Decision Aids | FAPRI University of Missouri

Home About Us Login

Welcome to the *USDA/NAAFP Decision Aids*

Login

Email Address

Enter a valid email address.

Password

Password must be 8 characters or more.

[Forgot Password?](#)

Login

Registration

Welcome to the [NAAFP Decision Aids](#). This suite of integrated tools can help you make the choices required for participation in 2014 Farm Bill and for choices available under crop insurance.

To get started, you'll need to [Register](#)

Terms and Disclaimer

This software is intended for educational use. It was developed solely to provide information so producers could better understand the economic implications of their choices under the 2014 Farm Bill. The Decision Aid uses the most current NASS, FSA, and RMA information, and these values will be updated from time to time. The Decision Aid answers may differ from those of USDA agencies and insurance providers. The Decision Aid allows users to save their information as a service to the user. Users who do not want their data saved can delete it at any time. After signup is completed, FAPRI and AFPC researchers may aggregate the results of all decision aid users to evaluate the effectiveness of various program options at mitigating risk. No individual user's data will be disclosed.

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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.

Signed in successfully. X

Your Farm Units

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

Available Tools Help!

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.

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

Help!

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	Crop Insurance Rate Yield 40.00 bu/ac Approved APH Yield 43.00 bu/ac	Future Acres 2014 1500.0 2015 1500.0 2016 1500.0 2017 1500.0 2018 1500.0
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Basis Harvest Time Basis -0.15 \$/bu	2014 Insurance Policy Policy Type Revenue Protection Coverage 75% Unit Structure Enterprise
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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.

The screenshot shows a web application interface with a green header. The header contains navigation links: 'Home', 'Clients', 'Tools', 'About Us', and 'Breana Watkins'. Below the header, the main content is divided into two sections. On the left, under the heading 'Your Farm Units', there is a table with the following data:

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

The 'Yields' button is circled in red. To the right of the table is a 'Help!' button. On the right side of the page, under the heading 'Available Tools', there are sections for '2016 Tools' and '2015 Tools'. The '2016 Tools' section includes a link for '2016 Insurance' with a description: 'Risk/Reward insurance analysis, updated for 2016, including integrated yield exclusion.' The '2015 Tools' section includes a link for '2015 Insurance' with a description: 'This tool calculates net revenue for alternative insurance choices available under the new Farm Bill and RMA'.

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

Help!

Lost 40 Soybeans Irrigated FSA # 11223

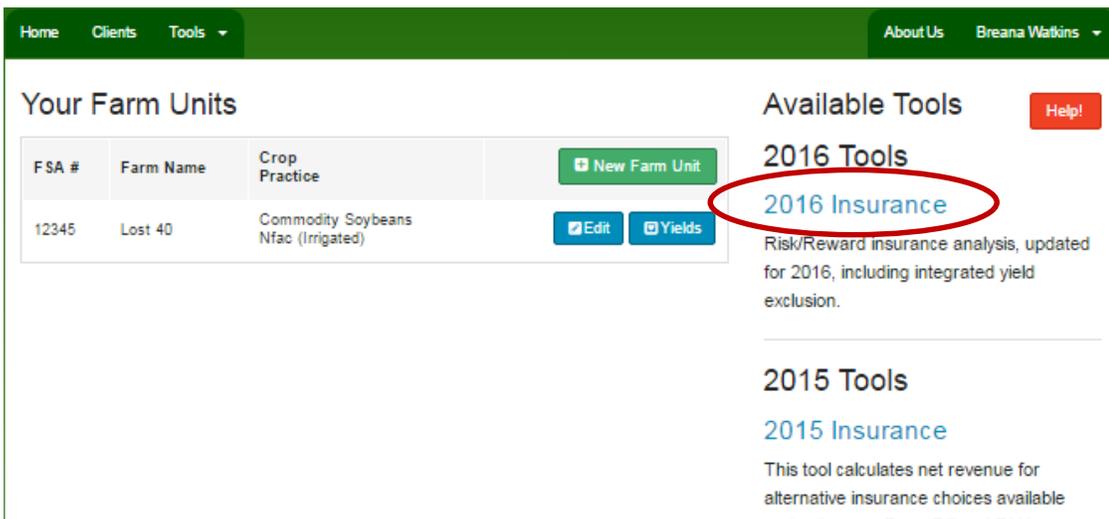
Enter yields for 10 or more years to get the full benefit of the insurance analysis capabilities of the decision aid. Yield risk for the crop will not be representative of actual variability if only yields for 2008-2012 are entered.

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
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	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.



The screenshot shows a web interface with a green header containing 'Home', 'Clients', 'Tools', 'About Us', and 'Breana Watkins'. Below the header, there are two main sections: 'Your Farm Units' and 'Available Tools'. The 'Your Farm Units' section contains a table with one entry: FSA # 12345, Farm Name Lost 40, Crop Practice Commodity Soybeans Nfac (Irrigated). To the right of the table are buttons for 'New Farm Unit', 'Edit', and 'Yields'. The 'Available Tools' section has a 'Help!' button and two tool categories: '2016 Tools' and '2015 Tools'. Under '2016 Tools', the link '2016 Insurance' is circled in red. Below it is a description: 'Risk/Reward insurance analysis, updated for 2016, including integrated yield exclusion.' Under '2015 Tools', the link '2015 Insurance' is visible, followed by a description: 'This tool calculates net revenue for alternative insurance choices available...'

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](#)

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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.

ARC/PLC election for Not Following Another Crop, Irrigated Commodity Soybeans in Craighead, Arkansas

For the state-county-crop-practice combination you just chose, your data contain the units listed below. These units will be both individually and jointly analyzed, for evaluating optional and enterprise unit structure crop insurance elections.

FSA #	Unit Name	2014 Election
12345	Lost 40	ARC

Projected Prices

If your price discovery period in progress, you can get a tentative projected price from RMA [here](#)

Projected Price
9.62

Analyze Options

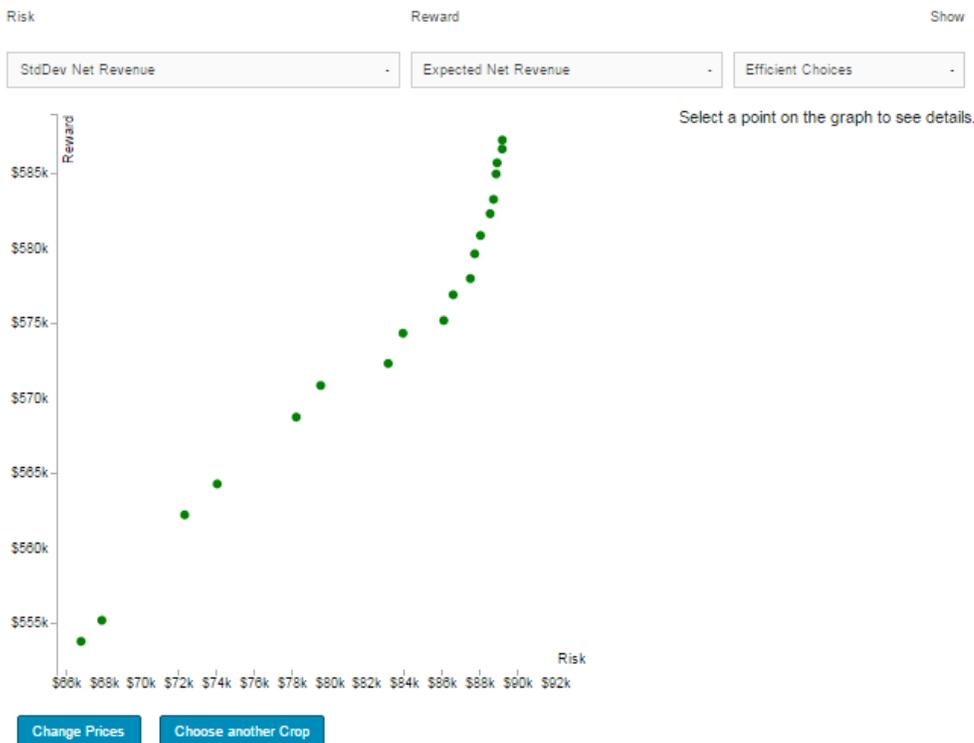
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Select "Analyze Options" to reveal the risk/reward analysis

Insurance 2016





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