



# DAIRY REVENUE PROTECTION (DRP)

Dairy Revenue Protection 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. The covered milk production is indexed to the state or region where the dairy producer is located. This is an area-based revenue insurance product.

## Coverage Levels and Premium Subsidies

You may cover 80 percent to 95 percent of your expected quarterly revenue in five percent increments. A premium subsidy is available and is based on the coverage level you selected.

Coverage Level %	80	85	90	95
Subsidy Level %	55	49	44	44



## Pricing Options

DRP offers two revenue pricing options:

**CLASS PRICING OPTION** uses a combination of Class III and Class IV milk prices as a basis for determining coverage and indemnities.

**COMPONENT PRICING OPTION** uses the component milk prices for butterfat, protein, other solids and non-fat solids as a basis for determining coverage and indemnities. Under this option you may select the butterfat test percentage and protein test percentage to establish your insured milk price.



## Availability

DRP is available in all counties in all 50 states.

Not all coverages or products may be available in all jurisdictions. The description of coverage in these pages is for informational purposes only. Actual coverages will vary based on the terms and conditions of the policy issued. The information described herein does not amend, or otherwise affect, the terms and conditions of any insurance policy issued by PolAgri or any of its subsidiaries.

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## Buying a Policy

You can submit an application at any time. Insurance attaches when a quarterly coverage endorsement is purchased. Multiple quarterly coverage endorsements may be purchased with one application. Insurance coverage starts the day the insured purchases a quarterly coverage endorsement.

### Establishing Coverage

Coverage is established by adding quarterly coverage endorsements to the policy. The sales period begins each day when the coverage prices and rates are validated and published on RMA's website by 4:30 p.m. Central time and ends at 9:00 a.m. Central time of the following business day in which you can purchase quarterly endorsements.

If expected milk and dairy commodity prices are not available on the RMA website by 4:30 p.m., then Dairy-RP will not be offered for sale for the insurance period.

### Quarterly Coverage Endorsement

Producers may purchase coverage up to five quarters in advance and have multiple endorsements for the same quarterly insurance period.



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.

### Ending Milk Prices and Yield

The actual ending milk or component values are based on the monthly average prices announced by USDA's Agricultural Marketing Service. Actual ending values are posted on RMA's website at the end of the insurance period. The milk yields are based upon USDA's National Agricultural Statistics Service Milk Production report.



### Causes of Loss

DRP 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. DRP does not insure against:

- › Death of dairy cattle;
- › Other loss or destruction of the insured's dairy cattle; or
- › Any other loss or damage of any kind whatsoever.



W1274 County Road B  
Genoa City, WI 53128  
jennifer@polagriinsurance.com  
www.polagriinsurance.com  
262.370.9740

