

# Production & Revenue History Plan (PRH) for Strawberries



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Meeting growers' crop insurance needs in California



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RCIS' California-based Regional Service Office team works hard to understand the crops, conditions and marketing concerns of the region's growers, always aiming to provide the best service possible. They share this dedication to customers with our network of local RCIS agents.

Sales Closing Dates\*

Summer Planted - July 1

Winter Planted - September 30

## OVERVIEW

The Production and Revenue History (PRH) insurance plan was developed with specialty crop producers in mind. Similar to other insurance plans for major field crops, PRH offers producers of specialty crops a choice between yield protection or one of two plans of revenue protection: Revenue or Revenue Plus. PRH is offered under the Common Crop Insurance Policy Basic Provisions. PRH overcomes challenges of traditional crop-specific insurance programs for specialty crops. For example, viable public price data to set insurance guarantees are often unavailable for specialty crops.

A key feature of PRH is the insurance guarantee is based on the policyholder's personal production and revenue history, in other words, the policyholder's own yield and price history. For revenue protection plans, harvest prices are also determined using the policyholder's own personal experience. These new features result in a more accurate and tailored insurance product for the policyholder. For example, the guarantee accounts for each policyholder's unique marketing practices, including any price premiums, whether that be from organic practices, unique crop types or varieties, or superior marketing ability.

## FEATURES OF PRH

PRH includes both a yield component, generated from the policyholder's production history, and a price component, generated from the policyholder's revenue history. Together, these determine the policyholder's insurance guarantee.

- The yield component functions like other Actual Production History (APH) plans of insurance. Under yield protection, policyholders may also purchase Catastrophic coverage, which is a low level of coverage available for a single administrative fee payment.
- The price component used for the PRH guarantee is established on an in-field basis – the value of the crop as it remains in the field (or on the tree/vine) immediately before harvest begins. This point of valuation is more accurate when a loss occurs since it does not include the cost of harvest and post-harvest activities that contribute to the sale price of a commodity. This in-field valuation lowers PRH liability, resulting in a more affordable product for policyholders. It also eliminates the need to adjust for unharvested production or accounting for costs not incurred in the event of a loss.

## FEATURES OF PRH, cont.

Both forms of revenue protection, Revenue and Revenue Plus, use your personal prices at harvest time when computing potential indemnities.

- Under Revenue protection, the harvest price is multiplied by the amount of production to count, and the result is subtracted from your guarantee to determine your indemnity.
- Revenue Plus protection under PRH is unique. When the harvest price is above the projected price, Revenue Plus ensures the indemnity will never be less than the indemnity under yield protection. It uses the lower of the projected price or harvest price to value production to count.

PRH covers a single commodity under one policy. The outcome of other crops on the farm does not impact your PRH crop's guarantee or indemnity.

No tax forms are used for claim settlement under PRH. Losses and indemnities are determined as soon as harvest prices are known.

## USEFUL LINKS

PRH Strawberry Crop Provisions contains PRH requirements specific to strawberries:

<https://www.rma.usda.gov/-/media/RMA/Policies/Strawberry--PRH/2022/Production-and-Revenue-History-Strawberry-Pilot-Crop-Provisions-22-PRH-0154.ashx?la=en>

Common Crop Insurance Policy Basic Provisions contains overarching requirements for PRH:

<https://www.rma.usda.gov/-/media/RMA/Policies/Basic-Provisions/2021/Basic-Provisions-21-1-BR.ashx?la=en>

\*Both summer and winter planting dates may not be applicable in every county. Ask your RCIS crop insurance agent to check with the RMA actuarial documents to confirm planting dates applicable in your area.

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