

# WHY CHOOSE **MP**?



## YOU WANT TO PROTECT YOUR OPERATING MARGIN

- Use MP to expand protection against the perils faced by your operation.
- Use MP to cover potential cost fluctuations of select inputs.



## YOU SEEK AREA-BASED COVERAGE

- Use MP to secure coverage based upon county-level estimates of average revenue and input costs.



## YOUR COVERAGE LEVEL MATTERS

- Use MP to choose a coverage level up to 95 percent.

### Benefits

- ✓ Select only the amount of protection your operation needs
- ✓ Utilize a price discovery period that differs from other MPC products
- ✓ Choose the Margin Protection Harvest Price Option (MP-HPO) to include replacement cost coverage
- ✓ Gain area-based coverage at a high level while maintaining individual-based coverage by adding MP to a RP or YP base policy



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V2017.08.10 | 800061



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# [MP]

## MARGIN PROTECTION



## MARGIN PROTECTION

Margin Protection is a crop insurance coverage option that provides producers with coverage against an unexpected decrease in their operating margin caused by:

- ✓ Reduced county yields
- ✓ Reduced commodity prices
- ✓ Increased price of selected inputs
- ✓ Any combination of the above

Margin Protection is area based, using **county-level estimates** of average revenue and input costs to establish the amount of coverage and indemnity payments.

### How Does It Work?

- MP provides coverage that is based on an expected margin per acre for each applicable crop, type, and practice.
- MP is area-based coverage and may not necessarily reflect a producer's individual experience.
- The Harvest Price Option allows you to choose to include replacement cost coverage to the Margin Protection policy. Similar to many popular revenue-based policies, if the harvest price is greater than the projected price, the expected margin and the trigger margin are recalculated based on the higher harvest price.

## DETERMINING THE MARGIN

When determining the margin, two types of inputs are considered: those subject to price changes as listed below, and those not subject to price change (i.e. fixed from planting to harvest). Inputs not subject to price change are not specifically identified, but include: seed, machinery, operating costs (other than fuel), and similar expenses. Inputs subject to price change are identified in the Margin Provisions and include the following:

### Allowed Inputs Subject to Price Change

Corn	Diesel, Urea, Diammonium Phosphate (DAP), Potash, Interest
Soybeans	Diesel, DAP, Potash, Interest
Rice	Diesel, Urea, DAP, Potash, Interest
Wheat	Diesel, Urea, Monoammoniu Phosphate (MAP), Potash, Interest

## COVERAGE LEVELS AND PREMIUM SUBSIDIES

Margin Protection provides coverage that is based on an expected margin for each applicable crop, type, and practice.

### Expected Margin = Expected Revenue – Expected Costs

**Expected revenue (per acre)** is the expected county yield multiplied by a projected commodity price.

**Expected cost (per acre)** is the dollar amount determined by multiplying the quantity of each allowed input by the input's projected price.

Choose an MP coverage level from 70 percent to 95 percent. This is considered relative to the expected revenue in the county.

## ELIGIBLE INSURANCE PLANS

Margin Protection can be purchased by itself, or in conjunction with a Yield Protection (YP) or Revenue Protection (RP) policy purchased from the same Approved Insurance Provider that issued the Margin Protection policy. If you buy a YP or RP policy, you will receive a Margin Protection premium credit to reflect that indemnity payments from one policy can offset payments from the other.

### Sales Closing Dates (SCD)

**September 30, 2017**

Corn, Soybeans, and  
Spring Wheat

**January 31, 2018 or**

**February 28, 2018**  
Rice

## PAYMENTS

Any indemnities owed will be paid when final county yields are available, in the spring of the following year.

## INSURABLE TYPES AND PRACTICES

All types and practices that are insurable for corn, rice, soybeans, and spring wheat in the respective county is listed in the Margin Protection actuarial documents.

## AVAILABILITY

Margin Protection is available in select counties for corn, rice, soybeans, and wheat in the states shown:

### States Available (in select counties)

Corn	IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI
Soybeans	IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI
Rice	AR, CA, LA, MS, MO, TX
Wheat	MN, MT, ND, SD

