Margin Protection (MP)

Expanded coverage for the 2024 Crop Year!

NAU Country
A QBE Insurance Company

MARGIN PROTECTION

Margin Protection is an area-based insurance plan that provides coverage against an unexpected decrease in operating margin (revenue less input costs), caused by reduced county yields, reduced commodity prices, increased prices of certain inputs, or any combination of these perils. Since MP is area-based (average for a county), an individual farm may have a decrease in its margin, but may not receive an indemnity or vice-versa.

Margin Protection basics

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

Expected Margin = Expected Revenue - Expected Costs, where:

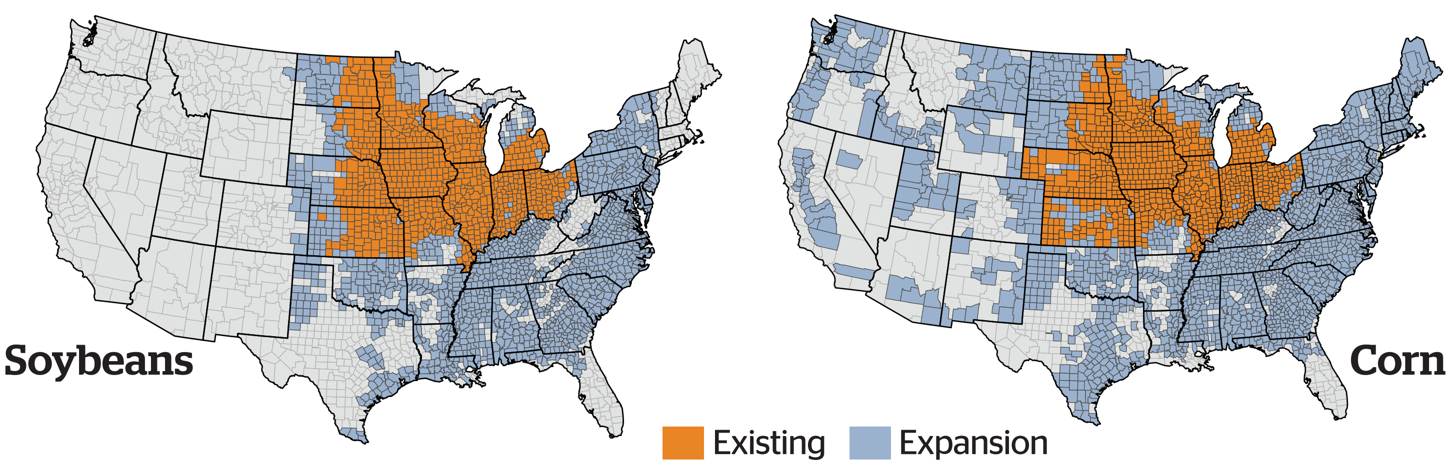
- Expected revenue (per acre) is the expected county yield multiplied by a projected commodity price; and
- Expected cost (per acre) is the dollar amount determined by multiplying the quantity of each allowed input by the input's projected price.

Trigger Margin = Expected Margin - Deductible. The deductible is 1.00 minus the coverage level multiplied by the expected revenue.

Margin Protection can be purchased with the Harvest Price Option (MP-HPO). Under MP-HPO, if the harvest price exceeds the projected price, the expected revenue used in setting trigger margins is reset based on the harvest price.

2024 MP availability

Margin Protection is available for rice, corn, soybeans, and spring wheat in select counties. The USDA released an expansion that will add 1,255 counties for soybeans and 1,729 counties for corn shown below.



Contact your NAU Country Agent or Representative for more information.

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