

RPowerD™ - Value priced RPowerD strategies for upside opportunity

March 7, 2019

Producers want opportunity to benefit from higher prices during the growing season but don't want to spend much. Let's look at some value priced RPowerD strategies:

First step to assure a value priced RPowerD policy is to set up your estimate so the indicated MPCl Coverage matches the RPowerD coverage level.

The second step is to create a liability that is in line with the producers opinion of upside potential. E.G.: How much over projected prices of \$4.00 on corn and \$9.54 on Soybeans does the producer think a spring or summer rally might get?

If they say .30 cents on corn and \$1.00 on soybeans, then choose the amount in RPowerD closest to those amounts as your Maximum Price Movement Limit.

Max Price Movement Limit

Max Price Movement Limit

MPCl Coverage Level

85% x 80% x 75% x

↑ ↑ ↑

↓ ↓ ↓

Estimate Coverage level

85% x 80% x 75% x

Third, make sure producers are only covering price risk on bushels they actually have price risk on.

If they have already forward marketed or hedged part of their crop, they do not need RPowerD coverage on those bushels because they have already managed the price risk via marketing.

Use the Liability Adjustment Factor Calculator to reduce the liability without reducing the RPowerD Revenue trigger and you will save your customer an amount equivalent to the factor less 100%.

Liability Adjustment Factor

Select a Liability Adjustment Factor...

100% 90% 80% 70% 60% 50% 40%

Click this link to access the easy to use Liability Adjustment Factor Calculator

The table to the right is the value priced set up for the most popular RPowerD policies this year and last. The “*’s” next at the end of the row label indicate the variable has been discussed in this RPG.

	Corn	Soybeans
Maximum Price Mvmt	\$0.30	\$1.00
Market Price	Opt-out	Opt-out
APC	N/A	N/A
Liability Adjustment Factor*	100%	100%
Acres	110% of max planted in last 4 yrs	
MPCl Coverage Level*	85%	85%
RPowerD Coverage Level*	85%	85%
Most Popular Alternative Price Discovery Periods		
March 1 - March 31, 2019		
April 1 - April 30, 2019		
May 1 - May 31, 2019		
June 1 - June 30, 2019		
July 1 - July 31, 2019		
August 1 - August 31, 2019		
* see body of letter for explanation and instructions.	key:	open selected

If you need to create your sign in credentials for www.AgenteVantage.com, contact your NAU Country Marketing Representative for assistance. Contact the NAU Country Call Center at 1-866-942-6724 or via email at callcenter@naucountry.com to reset your password, or make additional changes.

View previous RPowerD newsletters on the [NAU Country website](http://www.naucountry.com).



NAU Country Insurance Company Corporate office
Phone: 763.427.3770
Toll Free: 800.942.6557



RPowerD is a supplemental private insurance product, not part of federal crop insurance. This information is provided by and is the Proprietary Property of Watts and Associates, Inc. who is solely responsible for the representations made herein. All information is believed to be reliable but cannot be guaranteed. Watts and Associates, Inc. has developed this proprietary material for the sole use of its customers and has exclusive ownership rights in part or all of its format and content. The content of this material, regardless of the format in which it is presented, including orally, in print, or electronically, may not be further Disseminated. This material is protected by law. Copyright © 2019 Watts & Associates, Inc. of Billings, MT. All Rights Reserved. © 2019 NAU Country Insurance Company. All rights reserved. NAU Country Insurance Company is an equal opportunity provider. QBE and the links logo are registered service marks of QBE Insurance Group Limited. NAU is a registered service mark of NAU Country Insurance Company.