

Actual Production History (APH) Yield 180
 Projected (February) Price \$3.96

	Scenario 1	Scenario 2	Scenario 3
Actual yield (bushels per acre)	140	165	185
Harvest (October) Price	\$3.49	\$3.49	\$3.49
True Average Price received by farmer	\$3.30	\$3.90	\$3.00
No Insurance			
True revenue (<i>yield x True Avg. Price received by farmer</i>)			
Revenue Protection Insurance - 80%			
Revenue guarantee (<i>APH x coverage level x higher of Projected or Harvest price; in dollars per acre</i>)			
"Actual" revenue (<i>yield x Harvest Price</i>)			
Depending on Marketing strategies, true Price received by farmer might differ from Harvest Price. But Harvest Price defined by RMA is used in crop insurance calculations.			
Indemnity payment (<i>=revenue guarantee - actual revenue >= 0</i>)			
Insurance Premium: \$20			
Indemnity payment minus premium			