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Approved APH yield = 70 bushels per acre

Coverage Level = 65%

Base Price = $2.20 per bushel

Harvest Price = $3.00 per bushel

Production = 30 bushels per acre

Crop Value = Production times Harvest Price = $90.00

Revenue Guarantee = Approved APH yield times Coverage Level times the higher of Base Price or Harvest Price

Revenue Guarantee = $136.50

Revenue Guarantee – Crop Value = CRC Indemnity

$136.50 – $90.00 = $46.50

In example 2, prices were higher at the time of the harvest price calculation at the time of the base price calculation. As a result, the revenue guarantee increased from $100.10 to $136.50. However, the combination of a 30 bushel yield and a $3.00 price provided a revenue of only $90 per acre, well below the guarantee of $136.50 per acre. In this case a CRC indemnity payment of $46.50 per acre was made to the producer. In other words, the 15.5 bushel or 22 percent of the yield loss covered by the policy was replaced at the higher $3 00 level. This is what is meant by saying the policy covers replacement costs.

Example 3.

Harvest price less than Base Price - With a 34 Percent Production Loss

Approved APH yield = 70 bushels per acre

Coverage Level = 65%

Base Price = $2.20 per bushel

Harvest Price = $1.35 per bushel

Production = 46 bushels per acre

Crop Value = Production to Count times Harvest Price = $62.10

Revenue Guarantee = Approved APH yield times Coverage Level times the higher of Base Price or Harvest Price

Revenue Guarantee = $100.10

Revenue Guarantee - Crop Value = CRC Indemnity

$100.10-$62.10 = $38 00

In example 3, prices were lower at harvest than at the time of the base price calculation. As a result, the revenue guarantee stayed at the $100.10 per acre level. Even though the production loss was only 34 percent (46 bushel yield), the combination of a low yield and a low price generated a crop value of only $62.10, triggering a CRC indemnity payment of $38 00 per acre ($100.10-$62.10). In this case, the producer would not have received a payment if he only had 65 percent MPCI coverage, since the yield only fell 34 percent.

Example 4.

Harvest price less than Base Price - With a 57 Percent Production Loss

Approved APH yield = 70 bushels per acre

Coverage Level= 65%

Base Price = $2.20 per bushel

Harvest Price = $1.35 per bushel

Production = 30 bushels per acre

Crop Value = Production to Count times Harvest Price = $40.50

Revenue Guarantee = Approved APH yield times Coverage Level times the higher of Base Price or Harvest Price

Revenue Guarantee = $100.10

Revenue Guarantee – Crop Value = CRC Indemnity

$100.10 – $40.50 = $59.60

In example 4, prices were lower at harvest than at the time of the base price calculation. As a result, the revenue guarantee stayed at the $100.10 per acre level. The combination of both a low yield and a low price generated a crop value of only $40.50, triggering a CRC indemnity payment of $59.60 per acre. While both CRC and MPCI coverage at 65 percent would have paid indemnities, in this case (57% loss), the CRC indemnity would have been larger since the revenue calculation considered both yield loss and the price decline.

CRC Features

- Cash value protection allows for aggressive marketing strategies
- Provides upside and downside price protection
- Alternative to MPCI
- Same subsidy as MPCI
- Base and Harvest Prices are established using the national commodity exchanges
- Uses producers own Actual Production History in establishing guarantees on a unit basis
- Protects against perils of price and yield - no yield loss needed for indemnity
- Market based guarantee before planting is used as a minimum at harvest time
- Discounts for combining units
- Premiums for the CRC program are higher than premiums for the current MPCI program.
- In some cases, the farmer could receive less of an indemnity payment from CRC than under the current MPCI program. This could only happen if FCIC set the MPCI market price higher than the CRC Base Price The MPCI program sometimes overpays losses because the loss is no based on the market value of th crop, unlike CRC which pay losses based upon market determined prices.

Use of Bulk Tank Milk Somatic Cell Count

(Continued from Page A38)

Research done on herds in the Quinte area of Ontario, Canada indicated that the ability of bulk tank counts to predict the quarter infection rate of herds was approximately doubled (45.5% versus 80%) when the interpretation was based on 6 previous monthly bulk tank samples instead of a single test. BTSCC allows veterinarians to assess the overall udder health status of a dairy herd.

A herd that has an excellent udder health program in place will have the BTSCC counts and incidence of mastitis shown in Table 1. An estimate of lost milk production as predicted from bulk tank somatic cess count is given in Table 2. Based on this table, herds with cell counts over 500,000 SCC could be producing from 8 to 20% below potential because of the presence of subclinical mastitis infections. This clearly suggests that herds with over 500,00% cells/ml of bulk tank milk should implement mastitis control and prevention practices rather urgently. Herds consistently over 200,000 cells/ml could also reduce the incidence of mastitis by adopting a good mastitis control program.

Viral Disease

(Continued from Page A11)

•Use individual water and feed buckets.

•Use individual tack, which means saddles, bridles and bits.

•Do not share grooming equipment.

•Do not use dental instruments, hoof knives or hoof picks on more than one horse

•Hypodermic needles should be used for single injections, then destroyed

"If you are considering buying a horse through auction or from an individual, insist on a prepurchase test and try to find out the history of the animal," Griswold said. "If the owners are not willing to divulge that, look elsewhere."