

# Production and Revenue History (PRH) Plan



## Overview

The Production and Revenue History (PRH) insurance plan was developed with specialty crop producers in mind. Like other insurance plans for major field crops, PRH offers producers of specialty crops a choice between yield protection or one of two plans of revenue protection: Revenue or Revenue Plus. PRH is offered under the Common Crop Insurance Policy Basic Provisions. PRH overcomes challenges of traditional crop-specific insurance programs for specialty crops. For example, viable public price data to set insurance guarantees are often unavailable for specialty crops. A key feature of PRH is the insurance guarantee is based on the producer's personal production and revenue history. In other words, the producer's own yield and price history. For revenue protection plans, harvest prices are also determined using the producer's own personal experience. These new features result in a more accurate and tailored insurance product for the producer. For example, the guarantee accounts for each producer's unique marketing practices, including any price premiums, whether that be from organic practices, unique crop types or varieties, or superior marketing ability.

PRH was first made available for Florida strawberries for the 2021 crop year, followed by California strawberries for the 2022 crop year. RMA is potentially looking to expand the availability of PRH to additional crops.



If expansions occur, coverage components unique to each crop, like insured perils, available unit structures, key dates, etc., will be found in the crop's policy provisions.

## Key Features of PRH

- PRH includes both a yield component, generated from the producer's production history, and a price component, generated from the producer's revenue history. Together, these determine the producer's insurance guarantee.
  - ◇ The yield component uses the producer's actual yields to determine an average amount of production per acre. Under Yield Protection, producers may also purchase Catastrophic coverage, which is a low level of coverage available for a single administrative fee payment.
  - ◇ The price component used for the PRH guarantee is established on an in-field basis – the value of the crop as it remains in the field (or on the tree/vine) immediately before harvest begins. This point of valuation is more accurate when a loss occurs since it does not include the cost of harvest and post-harvest activities that contribute to the sale price of a commodity. This in-field valuation lowers PRH liability, resulting in a more affordable product for producers. It also eliminates the need to adjust for unharvested production or accounting for costs not incurred in the event of a loss.

## Useful Links

Common Crop Insurance Policy Basic Provisions contains overarching requirements for PRH:

[Common Crop Insurance Policy Basic Provisions](#)

PRH General Provisions contains all the major (non-crop specific) requirements specific to PRH, including examples for how claims are determined:

[Production and Revenue History Pilot General Provisions](#)

PRH Strawberry Crop Provisions contains PRH requirements specific to strawberries:

[Production and Revenue History Strawberry Pilot Crop Provisions](#)

The PRH Handbook contains underwriting and loss adjustment requirements of PRH, including several examples covering various aspects of the policy:

[Production and Revenue History Pilot Standards Handbook](#)



## Key Features of PRH (continued)

- Both forms of revenue protection, Revenue and Revenue Plus, use your personal prices at harvest time when computing potential indemnities.
  - ◇ Under Revenue Protection, the harvest price is multiplied by the amount of production to count, and the result is subtracted from your guarantee to determine your indemnity.
  - ◇ Revenue Plus protection under PRH is unique. When the harvest price is above the projected price, Revenue Plus ensures the indemnity will never be less than the indemnity under Yield protection. It uses the lower of the projected price or harvest price to value production to count.
- PRH covers a single commodity under one policy. The outcome of other crops on the farm does not impact your PRH crop's guarantee or indemnity.
- No tax forms are used for claim settlement under PRH. Losses and indemnities are determined as soon as harvest prices are known.

## Producer Reporting

As with APH insurance plans, the producer must annually report their amount of production for insurable and uninsurable acreage. The producer must also annually report their revenue from sold production for insurable and uninsurable acreage. Information on the revenue report is differentiated by crop type, planting period, organic practice, and buyer type, all of which can affect the price received and impact the guarantee. The production and revenue reports must be supported by verifiable records.

## Where to Buy Crop Insurance

All multi-peril crop insurance, including Catastrophic Risk Protection policies, are available from crop insurance agents. A list of crop insurance agents is available online using the [RMA Agent Locator](#).

*This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of our risk management needs, contact a crop insurance agent.*