

**PREMIUM CALCULATION WORK SHEET
FORAGE SEED APH PLAN PILOT PROGRAM
EXAMPLE**

100 acres of type 159 Established Stand Irrigated Alfalfa Seed in Kings County, California. Share is 1.000. Base Price is \$1.20 per pound. APH Yield is 600 pounds. It is an Optional Unit. No Hail & Fire Exclusion. 75% coverage level selected.

1. Calculate Yield Ratio by dividing the APH Yield by Reference Yield (Round to 3 decimals). $(600/620 = 0.968)$	0.968
2. Cup and Cap Yield from 0.5 to 1.5.	0.968
3. Calculate Base Premium Rate by multiplying the Reference Rate by the Yield Ratio (answer 2) to the exponent shown on the FCI-35 Table and adding the Fixed Rate Load. (BPR = Ref. Rate x (Yield Ratio ** exponent)+Fixed Rate Load). $(0.049 \times (.968^{-0.700})) + 0.021 = 0.071$	0.071
4. Cap Base Premium Rate at 120 percent of previous year's rate.	0.071
5. Calculate Base Premium Rate with any Additional Coverage Rates (ACR) applicable. (BPR + ACR)	0.071
6. Multiply step 5 by coverage level rate differential 0.071×1.00	0.071
7. Cap resulting rate derived in step 6 at 0.990.	0.071
8. Calculate Liability by multiplying the Approved APH Yield x acres x price election x share x level. $(600 \times 100 \times 1.20 \times 1.000 \times .75) = \$54,000$	\$54,000
9. Calculate Base Premium by multiplying step 7 and 8 $(0.071 \times \$54,000) = \$3,834$	\$3,834
10. Refer to the Optional Coverage/Unit Factors. If applicable, select the appropriate Optional Factor and multiply Answer 9 by the factor shown; otherwise, enter answer 9. (Total Premium: Note that Total Premium must not exceed Liability). (Answer 9 x Appropriate Optional Factors). $(\$3,834 \times 1.000) = \$3,834$	\$3,834
11. Refer to the Producer Premium Percentage table. Find the Producer Premium Percentage for either limited or maximum subsidy, depending on the selected coverage level and the price election percentage	.55
12. Enter the Producer Premium: Multiply Answer 10 (Total Premium) by the producer premium percentage to determine the producer premium. (Answer 10 x Answer 11) $(\$3,834 \times .55) = \2109	\$2138

NOTE: Total premium and Producer premium must be rounded to the nearest whole dollar.

This worksheet is intended to assist only in estimating Producer Premium.