

Adjusted Gross Revenue-Lite (AGR-Lite) 61 Underwriting Rules

Effective for 2004 and Succeeding Crop Years

1. This program is offered as a streamlined whole-farm adjusted gross revenue program. The basic producer qualifications requirements are to have: (1) their farming operation primarily located in an approved county, (2) at least 5 continuous years of tax records on IRS Schedule F 1040 form or its equivalent for the period (i.e. 1998-2002 for 2004 crop year), and (3) an AGR-Lite liability of \$250,000 or less.
2. The AGR-Lite program is limited to producers with an approved Adjusted Gross Revenue guarantee (policy liability) of \$250,000 or less. The table below is provided to reflect the maximum adjusted gross revenue limits at the various coverage choices:

Coverage Level/Payment Rate	Approximate Maximum Adjusted Gross Revenue
65/75%	\$512,821
65/90%	\$427,350
75/65%*	\$512,821
75/75%	\$444,444
75/90%	\$370,370
80/75%	\$416,667
80/90%	\$347,222

* Only available for single commodity farms

3. Documents used in servicing an AGR-Lite policy may be found in the AGR Standards Handbook and the AGR-Lite Handbook.
4. Premiums may be calculated using the premium calculation software available on the RMA website.
5. Available coverage level and payment rate combinations, premium subsidy factors and administrative fees are as follows:

Coverage Level Percentage	Payment Rate Percentage	Minimum Number Ag. Commodities Produced	Premium Subsidy Factor	Policy Fee
65	75	1	.59	\$30
65++	90	2*	.59	\$30
75	65	1	.55	\$30
75	75 or 90	2*	.55	\$30
80	75 or 90	4*	.48	\$30

++Available only for 1-commodity farms.

* To qualify for any coverage level and payment rate combination other than the

65 percent coverage level with the 75 percent payment rate (65/75) or the 75 percent coverage level with the 65 percent payment rate (75/65), you must produce at least the minimum number of commodities shown in the chart above. The expected allowable income from each of the minimum number of commodities required (2 for 65/90, 75/75, 75/90, or 4 for 80/75 or 80/90) must be equal to or exceed the dollar amount determined as follows:

- (1) Divide 1.0 by the number of commodities shown on your farm report and round to 3 decimal places;
- (2) Multiply the result of (1) by 0.333; and
- (3) Multiply the result of (2) by the total expected allowable income shown on your farm report.

Note: Income from commodities expected to produce less than the minimum requirement to count as separate commodities will be grouped together by the premium calculator to determine if the farm is eligible for higher coverage level choices. All commodities must be reported individually on the Annual Farm Report.