

RPowerD™ - Minimum Revenue Opportunity for 2020 Corn

May 17, 2019

2020 RPowerD has been available since mid April. Today Corn, Soybean, and Cotton prices for the 2020 harvest month are \$4.07, \$9.11, and \$0.676, respectively. The highest single day closing price for a harvest month corn futures contract in the past three years has been just over \$4.20.

Large “carry” structure in corn and soybean futures markets, combined with volatility from late planting and trade policy, combined with huge fund short positions, could easily and quickly propel deferred prices to a level that covers 2020 expected costs for many producers. This is critical as the main proposals floated out of Washington, D.C. for tariff reparation payments would encourage expanded production in a time of reduced demand and could be very bearish longer term to prices.

When you “Opt-in” to setting the RPowerD “Market Price” you can establish the Minimum Price 2020 crop insurance price at the previous trading session closing price. Additionally, producers get a two day “look back” on price once you run their RPowerD quote, before they have to make their purchase decision. Producers love this feature and there is no other way for them to get the price from two days ago except through you, their RPowerD agent.

Additionally, producers can use intended acres on their 2020 RPowerD application as 110% of the most gross acres planted in the past four seasons. This way, they are covered on whatever they might plant, but they only pay for the acres they actually plant in 2020, and the bill waits to come until fall of 2020.

Premium to establish minimums at the RPowerD 85%/RP 85% coverage levels using “Opt-in” to “Market Price” with \$1.00 of maximum, over the Projected Price, liability are 6-11 cts/bu for corn. With \$2.00 maximum, over Projected Price, liability potential on Soybean premiums are running 17-21 cts/bu.

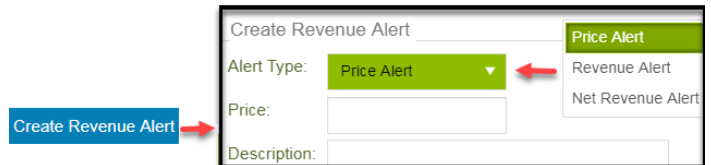
RPowerD establishes a floor price so upside is unlimited and, because it’s insurance, there are no delivery obligations created. Imagine the peace of mind your producers could have, right now all the way through this year and next, as they are ready to use a rally to just “Set it and Forget it” with RPowerD Market Price and/or alternative price discovery month intervals.

You can use the simple table to the right to look at your yield and coverage level combinations and evaluate the minimum revenue created by the Market Price and coverage level of your choice.

	2020 RPowerD Coverage Level		RPowerD Market Price as of 4/12/18		Approved Yield		Minimum Revenue Trigger
Corn	85%	x	\$4.07	x	174	=	\$602
Corn		x		x		=	
Soybeans	85%	x	\$9.11	x	48.5	=	\$376
Soybeans		x		x		=	

The first things to discover from your producers are, “What is Your Minimum Revenue Goal?” and “What Price would you not like to slip away from you?” Once you discover the answer to these two questions, you are ready to go to work looking for opportunities to help your producers “Set it and Forget it.” Use the interactive Quick Start Post Card at this [Link](#).

New! Create Price and Revenue alerts when you create an estimate for 2020 in www.AgenteVantage.com. Get an e-mail when your customers’ target is available.



If you need to create your sign in credentials for www.AgenteVantage.com, contact your NAU Country Marketing Representative for assistance. Contact the NAU Country Call Center at 1-866-942-6724 or via email at callcenter@naucountry.com to reset your password, or make additional changes.

View previous RPowerD newsletters on the [NAU Country website](#).



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