

# Adjusted Gross Revenue-Lite

Revised June 2014

## Adjusted Gross Revenue-Lite

The Adjusted Gross Revenue-Lite (AGR-Lite) Insurance Plan is a whole-farm, revenue-protection insurance policy. The policy provides protection against low revenue due to unavoidable natural disasters and market fluctuations that affect income during the insurance year. Most farm-raised crops, animals, and animal products are eligible for protection.

AGR-Lite can stand alone or be used with other Federal crop insurance policies, except Adjusted Gross Revenue (AGR). If you buy both AGR-Lite and other Federal crop insurance, the AGR-Lite premium is reduced. AGR-Lite:

- Uses a producer's 5-year historical farm average revenue as reported on the IRS tax return (Schedule F or equivalent forms) and an annual farm report as a base to provide a level of guaranteed revenue for the insurance period;
- Provides insurance coverage for multiple agricultural commodities in one insurance product; and
- Establishes revenue as a common denominator for insuring all agricultural commodities on the farm.

The Government pays a portion of the premium for the AGR-Lite policy that equals 48 percent, 55 percent, and 59 percent of the total premiums for the coverage levels of 80 percent, 75 percent, and 65 percent, respectively.

## Availability

AGR-Lite is available in Alabama, Alaska (selected counties), Arizona, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Kansas, Maine, Maryland, Massachusetts, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York (selected counties), North Carolina, Oregon, Pennsylvania (except Philadelphia County), Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

## Insured Causes of Loss

You are protected against revenue loss due to any unavoidable natural occurrences during the current or previous insurance year or due to market fluctuations that cause a revenue loss during the current insurance year. No payment is made for losses due to the following:

- Negligence, mismanagement, or wrongdoing by the policyholder, the policyholder's family, household members, tenants, employees, or contractors;
- Crop abandonment;

- Bypassing of acreage; or
- Other causes listed in the insurance policy.

## Producer Eligibility

To be eligible for AGR-Lite coverage, you must:

- Be a U.S. citizen or resident;
- File a calendar year or fiscal year farm tax return;
- Produce agricultural commodities primarily in counties where AGR-Lite is available;
- Have less than \$1 million in liability and less than \$2,051,282 in approved gross income;
- Have had the same tax entity for 7 years (filed 5 consecutive years of Schedule F tax forms, plus previous year and insurance year) unless a change in the tax entity is reviewed and approved by your insurance provider;
- Have no more than 50 percent of your total revenue from commodities bought for resale; and
- Have no more than 83.35 percent of your total revenue from potatoes.

## AGR-Lite Timeline

**Sales Closing Date** - March 15.

**Beginning of Insurance** - You are not covered for any losses that occur earlier than 10 days after we receive your properly completed application the first year. After the first year, any unavoidable natural disaster that occurred during the previous or current insurance year is covered.

**Cancellation and Termination Date** - January 31.

**Contract Change Date** - August 31.

**Insurance Year** - Defined as a calendar year in which the sales closing date occurs and includes both calendar year and fiscal year filings (corresponding to your IRS tax period).

**Claims** - Claims are settled after taxes are filed for the insurance year.

## AGR-Lite Application Information

You must provide the following information when completing an AGR-Lite application:

- A history calculation worksheet, including 5 years of allowable income and expense data from IRS tax returns (Schedule F or equivalent forms);
- An annual farm report for the insurance year listing each commodity to be produced, the expected quantity of the commodity to be produced, and the expected price for the commodity;

- Beginning inventories, if applicable; and
- An indication of changes that may result in lower income for the insurance year than the historical average.

### Choosing a Revenue Guarantee

AGR-Lite protection is calculated by multiplying the approved AGR-Lite by the coverage level and payment rate percentage you choose from the county Special Provisions actuarial document (see table below). Coverage levels and payment rate eligibility vary with the number of commodities you produce. You may choose only one coverage amount.

### Available Protection Amounts

Coverage Payment		Minimum # of Commodities	Maximum Annual Income
Level	Rate		
65	75	1	\$2,051,282
65	90	1	\$1,709,401
75	75	1	\$1,777,777
75	90	1	\$1,481,481
80	75	3	\$1,666,666
80	90	3	\$1,388,888

You must meet minimum income requirements. Commodity grouping is available for the 80-percent coverage level. The Maximum Annual Income represents the maximum approved farm revenue at each coverage level and payment rate to be eligible for AGR-Lite due to the \$1,000,000 maximum liability allowed.

### Loss Payments

Loss payments are triggered when the adjusted income for the insured crop year is less than the loss inception point. The loss inception point is calculated by multiplying the approved AGR by the chosen coverage level. Once a revenue loss is triggered, you are paid based on the payment rate you chose, either 75 cents or 90 cents for each dollar lost.

### Example

Assume 80-percent coverage level and 75-percent payment rate chosen, approved adjusted gross revenue of \$100,000 and actual revenue from the farm for the year was \$70,000.

\$100,000	Approved AGR
0.80	Coverage level
x 0.75	Payment rate
\$60,000	Liability

\$100,000	Approved AGR
x 0.80	Coverage level
\$80,000	Loss inception point
\$80,000	Loss inception point
- \$70,000	Revenue-to-count
\$10,000	Revenue loss
x 0.75	Payment rate
\$7,500	<b>Indemnity payment.</b>

If your allowable expenses for the current crop year fall below 70 percent of the approved expenses, the approved AGR-Lite payments are reduced.

### For More Information

AGR-Lite insurance policies are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers throughout the United States, or see RMA's online agent locator at: [www3.rma.usda.gov/tools/agents/companies/](http://www3.rma.usda.gov/tools/agents/companies/). You can find policy information at: [www.rma.usda.gov/policies/agr.html](http://www.rma.usda.gov/policies/agr.html). You can find the premium calculator at: [www3.rma.usda.gov/apps/premcalc](http://www3.rma.usda.gov/apps/premcalc).

### Contact Us

United States Department of Agriculture  
 Risk Management Agency  
 1400 Independence Ave., SW, Stop 0801  
 Washington, D.C. 20250-0801  
**Telephone:** (202) 690-2803  
**Fax:** (202) 690-2818  
**Website:** [www.rma.usda.gov](http://www.rma.usda.gov)  
**E-mail:** [RMA.CCO@rma.usda.gov](mailto:RMA.CCO@rma.usda.gov)

### Download Copies from the Web

Visit our online publications/fact sheets page at: [www.rma.usda.gov/pubs/rme/fctsht.html](http://www.rma.usda.gov/pubs/rme/fctsht.html).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, complete, sign and mail a program discrimination complaint form, (available at any USDA office location or online at [www.ascr.usda.gov](http://www.ascr.usda.gov)), to: United States Department of Agriculture; Office of the Assistant Secretary for Civil Rights; 1400 Independence Ave., SW; Washington, DC 20250-9410. Or call toll free at (866) 632-9992 (voice) to obtain additional information, the appropriate office or to request documents. Individuals who are deaf, hard of hearing, or have speech disabilities may contact USDA through the Federal Relay service at (800) 877-8339 or (800) 845-6136.