

# DECISION SUPPORT TOOL INFORMATION

**PURPOSE:** Use of this tool is NOT required to participate in the Pasture, Rangeland, Forage (PRF) pilot program. The purpose of this tool is to aid users in selecting the appropriate coverage to best manage producer risks. It is intended to provide producers and agents with additional information of how the “group” program correlates to the individual’s production risk. For example, a producer may know his/her production records for a given year – with the decision tool, they can select that year and study how the index would have responded.

**IMPORTANT NOTES:** All of the information provided in the tool is based on current information. For example, all the premium rates displayed are based on current premium rates released by RMA – not what the premium rates may have been in past years. The same applies to county base values, historical indices, subsidies, indemnity estimates, et cetera. These components may be updated by RMA for subsequent crop years and this tool will be updated to reflect such updates. **Actual premium quotes must be obtained from qualified crop insurance agents.**

The actual index values reported by this tool do not indicate an *actual* insurance payment was or is due to any insured for a given sample year selected (PLEASE SEE INFORMATION SPECIFIC TO **ACTUAL INDEX VALUES** BELOW). Official insurance payment information for a given crop year is released by RMA according to the insurance policy provisions and procedures.

## **BASIC STEPS:**

- Step 1      Select the Decision Support Tool link on the RMA page or from the menu options on the map screens.
  
- Step 2      Complete the appropriate information.
  - The information the user must supply is given in yellow and includes state, county, grid ID, insured crop type, coverage level, productivity factor, number of insurable acres, sample year to compare, and the percent of acreage selected for each Index Interval.
  - It is important to remember the minimum and maximum acreage allowed in any one Index Interval that is specified in the Special Provisions of Insurance.
  
- Step 3      Once the information is selected, hit the ‘Submit Query’ button. It is also important to note that if any of the information is changed, the ‘Submit Query’ button must once again be activated. For example, a different sample year can be selected but the ‘Submit Query’ button must be clicked to refresh the results.
  
- Step 4      Once the information has been submitted, a summary of information will be returned for the user/applicant to consider.

## ACTUAL INDEX VALUES:

The actual index value returned by the tool for a given grid, index interval, and sample year is stated as the percent of normal. The actual index values are normalized such that the average, or Expected Grid Index, is equal to 100. Hence, an index value of 100 represents average, an index value of below 100 represents below average, and an index value above 100 reflects above average.

As more years of data are collected and added the actual index values may change. To illustrate, consider the following *Example* Index information:

Year	<i>Example Current Index</i>	Year	<i>Example Future Index</i>
1	46	1	42
2	140	2	126
3	99	3	89
4	60	4	54
5	89	5	80
6	175	6	158
7	130	7	117
8	50	8	45
9	67	9	61
10	144	10	130
		11	36
<b>'Normal'</b>	<b>100</b>	12	202
		13	159
		<b>'Normal'</b>	<b>100</b>

If the user searched the *Example Current Index* value for Year 5, the value returned would be 89. If RMA re-calibrates the index after additional years of data are collected, the historic index values will likely change. Assume this has occurred for the *Example Future Index*. Under the new re-calibrated index, the value for Year 5 would be returned as 80. Please note this is a dramatization with fictitious numbers and index periods, with amplitudes magnified. This is intended to demonstrate that as more data is added to the history the index values could possibly change depending upon the index updating timeframe utilized by RMA. This tool will be updated based on any updates released by RMA.