Adjusted Gross Revenue Lite (AGR-L)
(Insurance Plan Codes 61)

Note: Grouping of commodities for coverage level eligibility does not apply to AGR (plan 63).

COVERAGE LEVEL ELIGIBILITY

To qualify for coverage level and payment rate combination the following number of commodities are required according to Underwriting Rules:

Coverage Level Percentage	Payment Rate Percentage	Minimum Number of Agricultural Commodities Produced
65	75 or 90	1
75	75 or 90	1
80	75 or 90	3

Revenue from commodities that do not qualify (i.e. do not have the level of required revenue to count) as a commodity for coverage level purposes will be grouped together to determine if the farm is eligible for the 80 percent coverage level choice. Each commodity will be used only once for coverage level eligibility and revenue above the revenue requirement for coverage level eligibility will not be applied towards qualifying additional commodity(s).

Example 1:

Commodity 1 $50,000	Qualifies	
Commodity 2 $35,000	Qualifies	
Commodity 3 $5,000	Add commodity 3 and 4 revenue and	
Commodity 4 $5,000	qualifies as an additional commodity	

Calculation is:
   1/4 Commodities * .333 = .083
   .083 * $95,000 Approved Gross Revenue (AGR) = $7,885 to qualify as a commodity.
   With addition of revenue from commodity 3 and 4, this grower has 3 commodities and qualifies for all coverage levels.

Example 2:

The following example provides additional information as to how eDAS will handle the validation of coverage level eligibility.

Minimum Qualifying Amount (MQA) = $2,000

Commodity 1 $1,800
Commodity 2 $2,200   Qualifies
Commodity 3 $500
Commodity 4 $750
Commodity 5 $5,000   Qualifies
Commodity 6 $250
Commodity 7 $100
Commodity 8 $1,900
Commodity 9 $1,500
Commodity 10 $1,000

Step 1 – Find all the commodity values >= MQA. These include commodity value 2 and 5, 2 commodity values that qualify.

Step 2 – Calculate amounts by adding each commodity value to every other commodity value. For example, commodity values 1 + 3 = $2,300, 1 + 4 = $2,550, 1 + 6 = $2,050, 1 + 7 = $1,900, 1 + 8 = $3,700, 1 + 9 = $3,300, and 1 + 10 = $2,800. Then, commodity values 3 + 4 = $1,250, 3 + 6 = $750, 3 + 7 = $600, 3 + 8 = $2,400, 3 + 9 = $2,000, and 3 + 10 = $1,500. Then, commodity values 4 + 6 = $1,000, etc. Commodity values 2 and 5 qualified in the first step so they should be excluded. Select the combinations that are >= the MQA but closest to the MQA without using any commodity value twice.

Step 3 – Repeat step 2 but use 3 combinations, 4 combinations, 5 combinations, etc.

Note: eDAS will stop at the point when three qualifying commodities have been identified or the maximum number of commodities from the individual farm have been used.