

Exhibit Name: Premium Calculation  
 Exhibit Number: P11-4, Plan 41  
 Record Name: Acreage  
 Record Code: P11

Reinsurance Year: 2019  
 Version: Approved  
 Release Date: 12/6/2019

Insurance Plan Code 41 Pecan Revenue

Commodity Code 0020 Pecans

| Calculations | Field Name | Record Number | Field Number | Field Format | Field Rounding | Rules |
|--------------|------------|---------------|--------------|--------------|----------------|-------|
|--------------|------------|---------------|--------------|--------------|----------------|-------|

Second Year of Two-year Coverage Module and no changes

If Reference Commodity Year <> Commodity Year:

Approved Yield (Revenue), Coverage Level Percent, Dollar Amount of Insurance, Base Premium Rate, and Premium Rate will equal what was determined for First Year of Two-year Coverage Module.

First Year of Two-year Coverage Module or if there were changes to Second Year

Section 1: Liability Calculation

|   |                             |     |     |             |                        |  |
|---|-----------------------------|-----|-----|-------------|------------------------|--|
| Coverage Type Code equals Additional, "A":<br><br>Dollar Amount of Insurance = Approved Yield (Revenue) * Coverage Level Percent                            | Dollar Amount of Insurance  | P11 | 105 | 99999999.99 | Round to whole number. |  |
|   | Approved Yield(Revenue)     | P11 | 42  | 99999999.99 | None                   | This will be the Approved Revenue reported in the Approved Yield field.  |
|   | Coverage Level Percent      | P14 | 34  | 9.9999      | None                   |  |
| Coverage Type Code equals Catastrophic, "C":<br><br>Dollar Amount of Insurance = Approved Yield (Revenue) * Coverage Level Percent * Price Election Percent | Dollar Amount of Insurance  | P11 | 105 | 99999999.99 | Round to whole number. |  |
|   | Approved Yield(Revenue)     | P11 | 42  | 99999999.99 | None                   | This will be the Approved Revenue reported in the Approved Yield field.  |
|   | Coverage Level Percent      | P14 | 34  | 9.9999      | None                   |  |
|   | Price Election Percent      | P14 | 35  | 9.9999      | None                   | When Coverage Type Code equals "C", then Price Election Percent (Protection Factor) equals 0.55.                         |
| Acre Guarantee Quantity = Dollar Amount of Insurance * Guarantee Adjustment Factor  | Acre Guarantee Quantity     | P11 | 106 | 99999999.99 | Round to whole number. |  |
|   | Guarantee Adjustment Factor | P11 | 69  | 0.999       | None                   | Guarantee Adjustment Type Code equals "F", First Year Thinning Factor. Edit with ADM Guarantee Adjustment ICE, "D00068". |
| Total Guarantee Amount = Acre Guarantee Quantity * Reported Acreage   | Total Guarantee Amount      | P11 | 103 | 99999999.99 | Round to whole number. |  |
|   | Reported Acreage            | P11 | 48  | 99999999.99 | None                   | Reported Acreage must equal the sum of all Land, P27, Reported Acreage.  |
| Liability Amount = Total Guarantee Amount * Insured Share Percent   | Liability Amount            | P11 | 94  | 9999999999  | Round to whole number. |  |
|   | Insured Share Percent       | P11 | 43  | 9.9999      | None                   |  |

Section 2: Base Premium Rate Calculation

|   |                          |          |    |             |                      |   |
|---|--------------------------|----------|----|-------------|----------------------|---|
| Current Year Yield Ratio = Rate Yield (Revenue) / Reference Revenue | Current Year Yield Ratio | Internal |    | 99999999.99 | Round to 2 decimals. | Cup at 0.50 and Cap at 1.50.                                    |
|   | Rate Yield (Revenue)     | P15      | 35 | 99999999.99 | None                 | This will be the Rate Revenue reported in the Rate Yield field. |
|   | Reference Revenue        | ADM      |    | 99999.99    | None                 | Edit with ADM Base Rate, "A01010" Reference Amount.             |

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|---|--|---------------|--------------|-----------------|----------------------|--|
| Prior Year Yield Ratio = Rate Yield / Prior Year Reference Revenue              | Prior Year Yield Ratio   | Internal      |              | 9999999.99      | Round to 2 decimals. |  |
|   | Rate Yield   | P15           | 35           | 99999999.99     | None                 | This will be the Rate Yield (Revenue).                         |
|   | Prior Year Reference Revenue   | ADM           |              | 99999.99        | None                 | Edit with ADM Base Rate, "A01010" Prior Year Reference Amount. |
| Current Year Rate Multiplier = Current Year Yield Ratio ^ Exponent Value        | Current Year Rate Multiplier   | Internal      |              | 9999.99999999   | Round to 8 decimals. |  |
|   | Exponent Value   | ADM           |              | 599.999         | None                 | Edit with ADM Base Rate, "A01010".                             |
| Prior Year Rate Multiplier = Prior Year Yield Ratio ^ Prior Year Exponent Value | Prior Year Rate Multiplier   | Internal      |              | 999999.99999999 | Round to 8 decimals. |  |
|   | Prior Year Exponent Value  | ADM           |              | 599.999         | None                 | Edit with ADM Base Rate, "A01010".                             |
| Current Year Base Rate =  | <b>When Rate Method Code equals Fixed Rate, "F":</b><br>Sub County Rate  | Internal      |              | 999999.99999999 | Round to 8 decimals. |  |
|   | <b>When Rate Method Code equals Additive, "A":</b><br>(Sub County Rate + Current Year Rate Multiplier * Reference Rate + Fixed Rate)       | ADM           |              | 99.9999         | None                 | Edit with ADM Sub County Rate, "A01050".                       |
|   | <b>When Rate Method Code equals Multiplicative, "M":</b><br>Sub County Rate * (Current Year Rate Multiplier * Reference Rate + Fixed Rate) | ADM           |              | 9.9999          | None                 | Edit with ADM Base Rate, "A01010".                             |
|   | <b>Otherwise:</b><br>Current Year Rate Multiplier * Reference Rate + Fixed Rate  | ADM           |              | 9.9999          | None                 | Edit with ADM Base Rate, "A01010".                             |

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|---|-------------------------------------|---------------|--------------|-----------------|----------------------|---|
| Prior Year Base Rate =<br>When Rate Method Code equals Fixed Rate, "F":<br>Sub County Rate<br>When Rate Method Code equals Additive, "A":<br>Sub County Rate + (Prior Year Rate Multiplier * Prior Year Reference Rate + Prior Year Fixed Rate)<br>When Rate Method Code equals Multiplicative, "M":<br>Sub County Rate * (Prior Year Rate Multiplier * Prior Year Reference Rate + Prior Year Fixed Base)<br>Otherwise:<br>Prior Year Rate Multiplier * Prior Reference Rate + Prior Year Fixed Rate | Prior Year Base Rate                | Internal      |              | 999999.99999999 | Round to 8 decimals. |   |
|   | Sub County Rate                     | ADM           |              | 99.9999         | None                 | Edit with ADM Sub County Rate, "A01050".  |
|   | Prior Year Reference Rate           | ADM           |              | 9.9999          | None                 | Edit with ADM Base Rate, "A01010".  |
|   | Prior Year Fixed Rate               | ADM           |              | 9.9999          | None                 | Edit with ADM Base Rate, "A01010".  |
| Current Year Base Premium Rate =<br>Current Year Base Rate * Rate Differential Factor * Unit Residual Factor  | Current Year Base Premium Rate      | Internal      |              | 999999.99999999 | Round to 8 decimals. |   |
|   | Rate Differential Factor            | ADM           |              | 9.99999999      | None                 | Edit with ADM Coverage Level Differential, "A01040". If Sub County Rate applies then associated Sub County Differentials will apply.  |
|   | Unit Residual Factor                | ADM           |              | 9.999           | None                 | Edit with ADM Coverage Level Differential, "A01040".<br>When Unit Structure Code equals "OU" or "BU", then Unit Residual Factor.<br>When Unit Structure Code equals "EU", then Enterprise Unit Residual Factor.                       |
| Prior Year Base Premium Rate =<br>Prior Year Base Rate * Prior Year Rate Differential Factor * Prior Year Residual Factor * 1.2   | Prior Year Base Premium Rate        | Internal      |              | 999999.99999999 | Round to 8 decimals. |   |
|   | Prior Year Rate Differential Factor | ADM           |              | 9.99999999      | None                 | Edit with ADM Coverage Level Differential, "A01040". If Sub County Rate applies then associated Sub County Differentials will apply.  |
|   | Prior Year Unit Residual Factor     | ADM           |              | 9.999           | None                 | Edit with ADM Coverage Level Differential, "A01040".<br>When Unit Structure Code equals "OU" or "BU", then Prior Year Unit Residual Factor.<br>When Unit Structure Code equals "EU", then Prior Year Enterprise Unit Residual Factor. |

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|---|-------------------|---------------|--------------|-----------------|----------------------|------------------------------------|
| Base Premium Rate = MIN (Current Year Base Premium Rate, Prior Year Base Premium Rate, or .999) | Base Premium Rate | P11           | 97           | 999999.99999999 | Round to 8 decimals. | Edit with ADM Base Rate, "A01010". |

Section 3: Optional Coverage Calculation

|   |  |          |  |             |                      |   |
|---|--|----------|--|-------------|----------------------|---|
| Additive Optional Rate Adjustment Factor = $\sum$ Option Rate * Rate Differential Factor<br><b>When Rate Method Code is Additive, "A":</b>                    | Additive Optional Rate Adjustment Factor       | Internal |  | 999999.9999 | Round to 4 decimals. |   |
|   | Option Rate                                    | ADM      |  | 99999.9999  | None                 | Option Rate will be the Sum of all Option Rate with Rate Method Code equal to Additive, "A". Edit with ADM Option Rate, "A01060".           |
|   | Rate Differential Factor                       | ADM      |  | 9.99999999  | None                 | Edit with ADM Coverage Level Differential, "A01040". If Reference Commodity Year <> Commodity Year use Prior Year Rate Differential Factor. |
| Multiplicative Optional Rate Adjustment Factor = $\sum$ Option Rate1 * Option Rate2 * Option Rate3...<br><b>When Rate Method Code is Multiplicative, "M":</b> | Multiplicative Optional Rate Adjustment Factor | Internal |  | 999999.9999 | Round to 4 decimals. |   |
|   | Option Rate                                    | ADM      |  | 9.9999      | None                 | Edit with ADM Option Rate, "A01060".  |

Section 4: Premium Rate Calculation

The Premium Rate for ALL Unit Structures should be capped at .999 in the event various adjustments to the Base Premium Rate would cause it to exceed 1.0.

|   |                                |          |  |                    |                      |   |
|---|--------------------------------|----------|--|--------------------|----------------------|---|
| Premium Rate = Base Premium Rate * Unit Structure Discount Factor * Multiplicative Optional Rate Adjustment Factor + Additive Optional Rate Adjustment Factor | Premium Rate                   | Internal |  | 999999999.99999999 | Round to 8 decimals. | Premium Rate is capped at 0.99900000.   |
|   | Unit Structure Discount Factor | ADM      |  | 9.999              | None                 | Edit with ADM Unit Discount, "A01090".<br>When Unit Structure Code equals "BU", then Unit Structure Discount Factor equals Basic Unit Discount Factor.<br>When Unit Structure Code equals "EU", then Unit Structure Discount Factor equals Enterprise Unit Discount Factor. |

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| <b>Section 5: Total Premium, Subsidy, and Producer Premium Calculation</b>  |                                      |               |              |              |                        |  |
| $\text{Preliminary Total Premium Amount} = \frac{\text{Liability Amount} * \text{Premium Rate} * \text{Premium Surcharge}}{\text{Percent}}$ | Preliminary Total Premium Amount     | Internal      |              | 9999999999   | Round to whole number. |  |
|   | Premium Surcharge Percent            | Internal      |              | 9.99         | None                   | When Surcharge Applied Flag equals "Y", then Premium-Surcharge Percent must equal 1.05, otherwise must equal 1.00. |
| $\text{Total Premium Amount} = \text{Preliminary Total Premium Amount} * \text{Multiple Commodity Adjustment Factor}$                       | Total Premium Amount                 | P11           | 95           | 9999999999   | Round to whole number. |  |
|   | Multiple Commodity Adjustment Factor | ICE           |              | 9999.999     | None                   | Edit with ICE Multiple Cropping, "D00063".   |
| $\text{Subsidy Amount} = \text{Total Premium Amount} * \text{Subsidy Percent}$  | Subsidy Amount                       | P11           | 93           | 9999999999   | Round to whole number. | If this record qualifies for Beginning Farmer and Rancher, see Section 6 for subsidy calculations.                 |
|   | Subsidy Percent                      | ADM           |              | 9.999        | None                   | Edit with ADM Subsidy Percent, "A00070".   |
| $\text{Producer Premium Amount} = \text{Total Premium Amount} - \text{Subsidy Amount}$  | Producer Premium Amount              | P11           | 96           | 9999999999   | Round to whole number. |  |
| <b>Section 6: Beginning Farmer and Rancher (BFR), Veteran Farmer Rancher (VFR), and Conservation Compliance (CC) Subsidy Calculations</b>   |                                      |               |              |              |                        |  |
| $\text{Base Subsidy Amount} = \text{Total Premium Amount} * \text{Subsidy Percent}$   | Base Subsidy Amount                  | Internal      |              | 9999999999   | Round to whole number  | Cupped by the standard rule of \$1 if applicable.  |
|   | Subsidy Percent                      | ADM           |              | 9.999        | None                   | Edit with ADM Subsidy Percent, "A00070".   |
| $\text{BFR/VFR Subsidy Amount} = \text{Total Premium Amount} * 0.10 * (1 - \text{CC Subsidy Reduction Percent})$                            | BFR/VFR Subsidy Amount               | Internal      |              | 9999999999   | Round to whole number  | Beginning Farmer Rancher/Veteran Farmer Rancher Subsidy Amount. If Applicable; else 0.                             |
| $\text{CC Subsidy Reduction Amount} = \text{Base Subsidy Amount} * \text{CC Subsidy Reduction Percent}$                                     | CC Subsidy Reduction Percent         | P11           | 76           | 9.9999       | None                   | If Applicable; else 0.   |
|   | CC Reduction Subsidy Amount          | P11           | 111          | 9999999999   | Round to whole number  | CC Subsidy Reduction Amount. If Applicable; else 0.  |
| $\text{Subsidy Amount} = \text{Base Subsidy Amount} + \text{BFR/VFR Subsidy Amount} - \text{CC Subsidy Reduction Amount}$                   | Subsidy Amount                       | P11           | 93           | 9999999999   | Round to whole number  | Subsidy Amount cannot exceed Total Premium Amount. Subsidy Amount will be cupped at \$0.                           |
| $\text{Producer Premium Amount} = \text{Total Premium Amount} - \text{Subsidy Amount}$  | Producer Premium Amount              | P11           | 96           | 9999999999   | Round to whole number  |  |