

Lowbush Blueberry Insurance Example

Example:

Average Insurable Yield = 3200
(lbs per acre)

Area Insured = 10 acres

Selected Coverage Level = 80%

Unit Price = 60¢/ lb

Premium Rate = 8.65%

Harvested Yield = 10,000 lbs.

Production Guarantee

3200 lbs/acre x 80% x 10 acres
= 25,600 lbs

Premium Cost

\$ Coverage = 25,600 lbs x 60¢
= \$15,360

Total Premium Cost = \$15,360 x 8.65%
= \$1,328.64

Producer Cost = \$1,328.64 x 40%
= \$531.46

Claim Example

Yield Deficit = 25,600 lbs – 10,000 lbs
= 15,600 lbs

Claim Amount = 15,600 lbs x 60¢
= \$9,360