



Customer Product Case and Use

Custom Farming Contract Revenue Protection

Midwest Contract Services

Ray owns and operates Midwest Contract Services, a custom farming business providing both contract planting, crop care and harvesting services to primarily corn, bean, and wheat farmers. He is concerned about high fixed expenses, including equipment leasing costs, with no guarantee of revenue, particularly with greater frequency and severity of weather events.

Ray has annual contracts to harvest 75,000 acres across five states with six combine harvesters and six employees. Expected revenue from Ray's custom farm contract services often depends on weather conditions impacting his services. When weather prevents a crop from being planted or harvested, Ray is at risk for partial or complete loss of his custom contracting revenue. While most farmers have Federal Crop Insurance to protect their crop production and revenues, Agribusinesses like Midwest Contract Services have no similar insurance protection. Without insurance, Ray is shouldering the entire risk himself.

VANE provides a tailor-made Custom Farming Revenue Protection Insurance Policy protecting Agribusinesses like Ray from loss of custom contracted revenues due to covered perils. The policy provides variable levels of revenue protection to cover the fixed costs for the crop season.

Here is how it works

Midwest Contract Services has a Custom Farming Revenue Insurance Policy covering 75,000 acres of corn, soybeans, and wheat for contracted harvesting services.

VANE insures at the field level, the 75,000 acres at \$30 per acre.

Midwest Contract Services suffers a loss of 20,000 contracted acres due to severe drought conditions.

VANE provides a Custom Farming Revenue Insurance payment of \$600,000 minus a policy deductible (generally between 10 and 25%).

Financial security, operating loan protection and peace of mind for Ray.