

Example – How AgriStability responds

Corn and ginseng operation

Example scenario:

A-A-A Farm has 100 acres of corn and 10 acres of ginseng. This year was challenging because of crop loss due to weather conditions, as well as increased costs. As a result, A-A-A Farm's net income was \$350,000 this year.

Important numbers used in payment calculation

Average net income <i>(Reference margin)</i>	\$1,191,700
Payment trigger	\$834,190
This year's net income <i>(Production margin)</i>	\$350,000
Shortfall <i>(Margin decline)</i>	\$484,190
Payment <i>(Shortfall x 80% compensation rate)</i>	\$387,352

How AgriStability responded:

A-A-A Farm got a payment of \$387,352 when things didn't go well, which allowed them to continue growing crops and helped the farm stay in business.

