



°CelsiusPro

FROST PROTECT

Weather Certificate for Australian Farmers

With Celsius Pro's Frost Protect Weather Certificate, you get **Instant Payment** in to your account if your crop gets hit with Frost. No damage assessments and No claims.

What Is a Frost Protect Weather Certificate?

The Frost Protect Weather Certificate is a weather derivative which farmers can purchase to hedge the risk of a Frost day during the crops flowering period. The Grower receives compensation should his crop be damaged when temperatures drop below a threshold. **The Weather Certificate is designed specifically for Australian farmers to compensate them for a loss of income due to a Frost-Burn and Stem-Frost.**

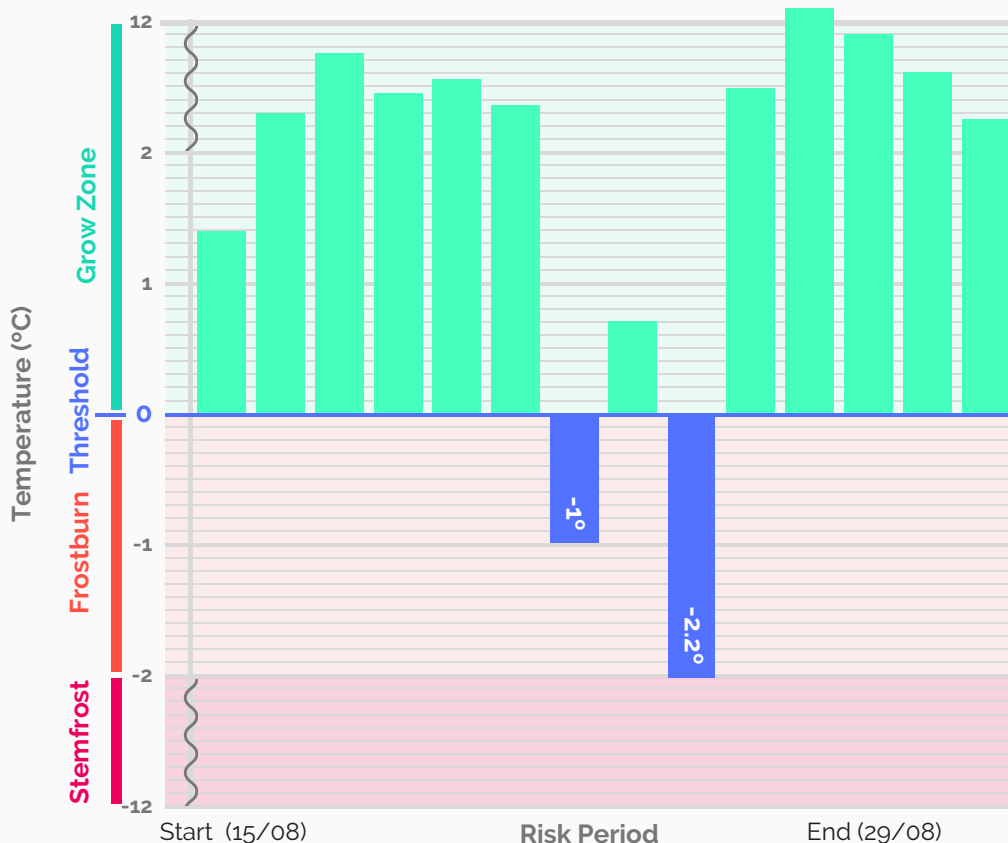
Premiums can range from 7 - 15% of your total sum insured.

How does a Frost Protect Weather Certificate work?

As an example, a Grower understands that his yield/income will be affected if over flowering the temperature drops below 0°. A prudent farmer in a potential frost affected region would plan ahead and purchase a Frost Protect Weather Certificate. In this case the Grower wants to receive \$100'000 if his crop gets frosted. The cover pays \$20'000 per degree on the cumulated degrees below 0° over the risk period.

How does a Frost Protect Weather Certificate work?

If at the end of the risk period the minimum temperature reached -1° and -2.2° on two separate days a frost event would have occurred. The total degrees below the Threshold of 0° was 3.2°. The Frost Protect Weather Certificate will compensate the grower for \$64'000 worth of Frost damage. This is paid into his account once the data is finalised. It normally takes about 20 days to check BOM station data.



Parameters

Start Date: 15/08/2018
 End Date: 29/08/2018
 Period: 14 days
 Threshold: 0°C
 Strike: 0
 Tic: \$20'000
 Max Payout: \$100'000
 Premium: **\$8500 (8.5%)**

Outcome

Degree Day (DD): 3.2
 Payable DD: 3.2 (DD-Strike)
 Payout: **\$64'000**

Payout Calculation

Sum up the value of every degree below the threshold. Subtract the Strike, then multiply by the Tic until max payout is reached.

If you like what you see, then get in touch! We love to talk!

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