



°CelsiusPro

EMERGENCE PLUS

Weather Certificate for Australian Farmers

With Celsius Pro's Emergence Plus Weather Certificate, you get **Instant Payment** in to your account if your crop doesn't get the rain it needs. No damage assessments and No claims.

What Is an Emergence Plus Weather Certificate?

The Emergence Plus Weather Certificate is a weather derivative which farmers can purchase to hedge the risk of a Dry Season. The cover helps to underwrite the cost of inputs during the establishment period should forecasts turn dry. **The Weather Certificate is designed specifically for Australian broad-acre farmers who sow on receiving moisture, to help compensate for the cost of inputs during a dry establishment and spring period.**

To elaborate, a farmer would buy this certificate if they feel their soil moisture is enough to germinate seeds, but are then worried about insufficient establishment and spring rainfall.

How does an Emergence Plus Weather Certificate work?

As per the example below, a Grower understands that his potential crop requires about 250mm over the season for a decent yield. However, what happens if he gets less than his average rainfall in the first half of the season (which is enough to sow and germinate his seeds) and then the rain stops in Spring? A prudent farmer would plan for this by purchasing an Emergence Plus Weather Certificate. In this case the Grower wants to receive \$2.50/mm/ha up to \$100 below a Strike of 74mm. The Weather Certificate is triggered if he gets less than the average rainfall in the first half of the season. He is insuring \$100 worth of inputs if the rains dry up in Spring.

What does this mean?

If at the end of the risk period the grower only gets 34mm or less, he is fully compensated for the \$100/ha worth of inputs. This is paid into his account once the data is finalised. It normally takes about 20 days to check BOM station data.

Premiums range from \$5 - \$15/ha

Certificate Parameters

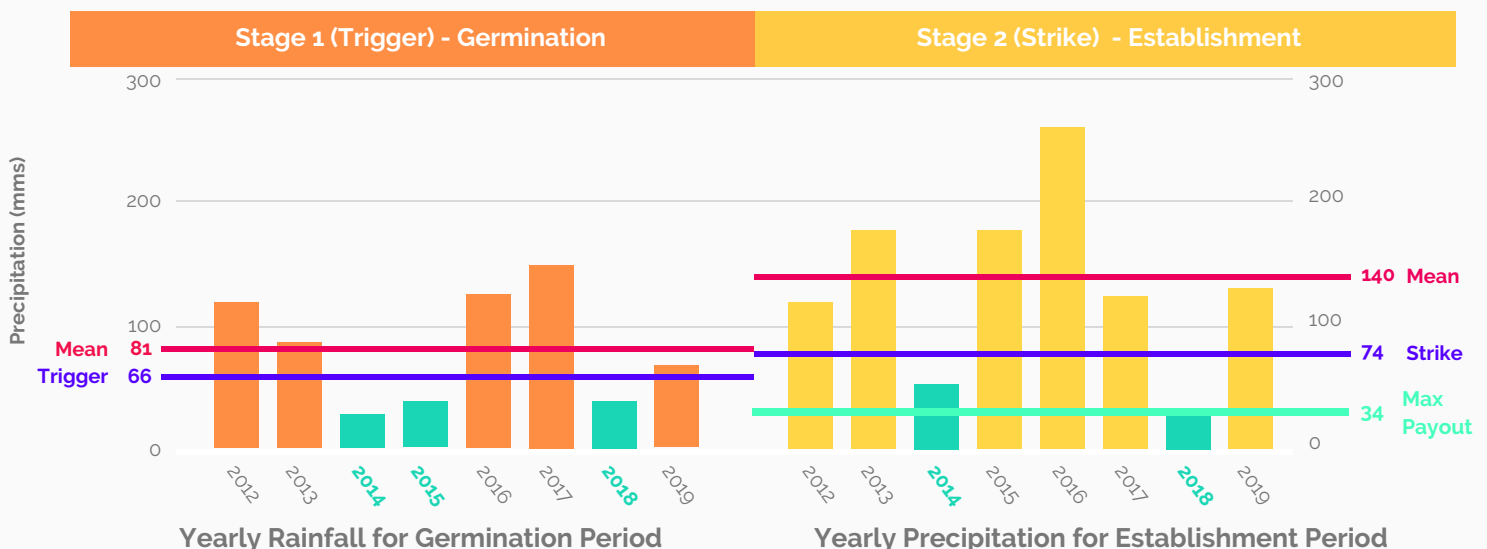
Start Date: 01/05/2020
End Date: 30/09/2020
Trigger: <66mm
Strike: 74 mm
Tic: \$2.50/ha
Max Payout: \$100/ha
Premium: **\$8/ ha**

Payout Calculation

Once Stage 2 is triggered, if within the Establishment period total rainfall is below the strike, the farmer is paid \$2.50 /ha for every mm below 74 mm until max payout is reached.

Payouts

2014 - Farmer received 53 mms of rain thus received **\$55/ha**
2018 -Farmer received 27 mms of rain thus received **\$100/ha** (this is the Max Payout because a total rainfall didn't reach 34 mm over the establishment period)



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

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