

Example

MnDOT's Blowing Snow Control Annual Payment Based on the Performance of the Farm Price Index From 2010 to 2014

Assumptions

Cash Rent \$254 an acre

1.6 acre Living Snow Fence Planting (700 feet long by 100 feet wide)

Converted to \$0.58 cents per lineal foot payment

\$0.58 cents X 700 feet = \$406.40 is MnDOT's Baseline Payment

Farm Product Price Index for 2010 = 151.0

Planting installed in spring 2011

Performance Schedule based on Farm Product Price Index-FPI

2010 = 151.0

2011 = 186.7

2012 = 192.5

2013 = 195.3

2014 = 197.5

2011 Payment is \$406.40 the baseline payment

2012 Payment is

$192.5/151=1.27$

$1.27 \times \$406.40 = \516.13

2013 Payment is

$195.3/151=1.29$

$1.29 \times \$406.40 = \524.26

2014 Payment is

$197.5/151=1.31$

$1.31 \times \$406.40 = \532.38