



United States
Department of
Agriculture

Risk
Management
Agency

P.O. Box 419205
Kansas City, MO
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July 16, 2008

INFORMATIONAL MEMORANDUM: PM-08-035

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Tim B. Witt /s/ *Tim B. Witt*
Deputy Administrator

SUBJECT: Group Risk Plan for Sugarcane Plan of Insurance-Policy
and Insurance Documents Release

BACKGROUND:

The Federal Crop Insurance Corporation Board of Directors approved the Group Risk Plan (GRP) for Sugarcane plan of insurance on September 12, 2007. The program is designed to provide insurance benefits comparable to other Federally reinsured group risk plans of insurance.

The GRP-Sugarcane program is available in select counties in Louisiana. GRP-Sugarcane provides coverage to sugarcane producers against substantive reduction in sugarcane yields occurring as a result of unavoidable natural causes. GRP-Sugarcane does not rely on an individual's actual production to determine whether an indemnity is due. Coverage is determined by multiplying the expected risk area yield shown on the actuarial documents by the selected coverage level to determine the trigger yield. If the payment yield published by the Risk Management Agency (RMA) for the insured crop falls below the trigger yield, an indemnity will be paid.

The following are features of GRP-Sugarcane:

- Some counties are grouped into risk areas to establish coverage;
- Catastrophic coverage is not available; and
- Production and price data are determined using National Agricultural Statistics Service data and information from the Farm Service Agency is used to determine planted acres.

Producers interested in GRP-Sugarcane will need to contact a crop insurance agent and complete an application, which will be submitted through the approved insurance provider to RMA. The address of the website is: www.rma.usda.gov/.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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The RMA premium calculator will be available on the RMA web site for general information purposes. To find the GRP-Sugarcane premium calculator on the web-site:

Go to: Tools/Calculators
Scroll to: Premium Calculation Software for 2000 and succeeding years
(Online Version) - Calculate Premiums
Click on: Calculate Premiums

The sales closing date for GRP-Sugarcane is September 30, 2008.

ACTION:

The following 2009 insurance year GRP-Sugarcane materials will be available by close of business today and may be accessed on the RMA website from the crop policy page at: www.rma.usda.gov/policies/2009policy.

Material

- GRP-Sugarcane Basic Policy (2009)
- GRP-Sugarcane Handbook (2009)

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and its disposal date is December 31, 2008.