



United States Department of Agriculture
Risk Management Agency

August 2005

2006 COMMODITY INSURANCE FACT SHEET

Corn

Arizona

Crop Insured

Field corn planted for harvest as grain or silage may be insurable. In counties where rates are not provided by an actuarial table, the crop may be insurable by written agreement if specific criteria are met.

Counties Available

Corn is insurable in Cochise, Graham, Maricopa, and Pinal counties. Corn in other counties may be insurable by written agreement if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire³
Insects⁴
Plant disease⁴
Wildlife⁵

¹Natural perils such as hail, frost, freeze, wind, drought, and excess moisture. ²If caused by an insured peril during the insurance period. ³Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed. ⁴But not damage due to insufficient or improper application of control measures. ⁵Unless wildlife control measures have not been taken.

Insurance Period

Coverage usually begins when the crop is planted and ends at the earliest of:

- Total destruction of the crop
- Abandonment of the crop
- December 10 for grains

Important Dates

Sales Closing.....February 28
Final Planting.....May 31
Acreage Report Due.....July 15

Coverage Levels and Premium Subsidies

Individual amounts of insurance are based on a grower's production history. Each grower's approved average yield is calculated from 4 to 10 years of production records provided to an insurance agent. Producers can select a level of coverage from 50 to 75 percent of their approved average yield and 55 to 100 percent of a price announced by USDA. Catastrophic risk protection (CAT) coverage guarantees 50 percent of their approved average yield will be valued at 55 percent of the announced price.

Price Election: Price used to calculate your premium and indemnity.

Spring Market: To be announced

Harvest Market: To be announced

Grain: \$2 .20 per bushel

Silage: \$22.75 per ton

Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$100 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent.

Loss Example

Corn (for grain) based on actual production history (APH) yield of 100 bushels per acre, 75-percent coverage level, 100-percent share.

100	Bushel per acre average yield (APH)
<u>x .75</u>	Coverage level
75	Bushel per acre guarantee
<u>- 60</u>	Bushel per acre actually produced
15	Bushel per acre loss
<u>x \$2.20</u>	Allowable cost of picking
\$ 33	Indemnity paid to insured

Where to Purchase Crop Insurance

All MPCI, including CAT coverage insurance policies are available from private insurance agents. A list of crop insurance agents is available on the RMA website at: <http://www3.rma.usda.gov/tools/agents/>

Download Copies from the Web

Visit our online publications/fact sheets page at:
<http://www.rma.usda.gov/pubs/#bfr>.

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Regional Contact for RMA

USDA/Risk Management Agency
Davis Regional Office
430 G Street, # 4168
Davis, CA 95616
Telephone: (530) 792-5870
Fax: (530) 792-5893
E-mail: rsoca@rma.usda.gov