



United States Department of Agriculture
Risk Management Agency

August 2005

2006 COMMODITY INSURANCE FACT SHEET

Grain Sorghum

Arizona

Crop Insured

The crop insured will be combine-type hybrid grain sorghum (hybrid seed) and grain sorghum planted for harvest as grain. Coverage for dual-purpose grain sorghum may be allowed if certain criteria are met.

Counties Available

Grain sorghum is available for insurance in the following counties: Maricopa and Pinal counties. Grain sorghum may be insurable in other counties by written agreement if specific criteria are met. Contact an 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

Growers must apply for coverage on their crop with an insurance agent by February 28. Coverage on your grain sorghum crop begins immediately following planting and ends the earliest of when you harvest or December 10.

Important Dates

Sales Closing	February 28
Final Planting Date.....	July 31
Acreage Report Due.....	August 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 ranging from 50 to 75 percent of their approved average yield and 50 to 100 percent of a price announced by USDA, or catastrophic (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

Price Election: Price used to calculate your premium and indemnity: **\$2.15 per bushel**

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

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

100	Bushels per acre average yield (APH)
<u>x .75</u>	Coverage level
75	Bushels per acre guarantee
<u>- 59</u>	Bushels per acre actually produced
16	Bushels per acre loss
<u>x \$2.15</u>	Price election
\$34.40	Gross indemnity per acre

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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