



United States Department of Agriculture
Risk Management Agency

January 2011

2011 COMMODITY INSURANCE FACT SHEET

Grain Sorghum

Arizona

Crop Insured

Grain sorghum planted for harvest as grain. That is a combine-type hybrid grain sorghum (grown from hybrid seed); and not a dual-purpose type of grain sorghum (a type used for both grain and forage). Coverage for dual-purpose grain sorghum may be insurable by written agreement only.

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
Fire
Insects³
Plant disease³
Wildlife

¹Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

²If caused by an insured peril during the insurance period.

³But not damage due to insufficient or improper application of control measures.

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:

- Total destruction of the crop on the unit
- Harvest of the crop
- Final adjustment of a loss on a unit
- Calendar date for the end of insurance on December 10th

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 55 to 100 percent of a price announced by USDA, or Catastrophic Risk Protection (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price. Revenue protection or yield protection is available and must be elected by the sales closing date.

Definitions

Harvest Price: A price determined in accordance with the Commodity Exchange Price Provisions and used to value production to count for revenue protection.

Projected Price: A price determined in accordance with the Commodity Exchange Price Provisions.

Production Guarantee (per acre): The number of bushels (tons for corn insured as silage) determined by multiplying the approved yield per acre by the coverage level percentage you elect.

Revenue Protection: A plan of insurance that provides protection against loss of revenue due to production loss, price decline or increase, or a combination of both.

Revenue Protection Guarantee (per acre): For revenue protection only. The result of your production guarantee (per acre) multiplied by the greater of the projected price or harvest price.

Yield Protection: A plan of insurance that only provides protection against a production loss.

Yield Protection Guarantee (per acre): For yield protection only. The result of your production guarantee (per acre) multiplied by your projected price.

Late and Prevented Planting

Coverage that provides reduced protection on acreage that is planted late or that cannot be planted by the final planting date or within the late planting period. Contact your crop insurance agent for more details

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 \$300 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 or your local county Farm Service Agency office for an agent listing.

Loss Examples

Yield Protection Example:

80	Bushel per acre production guarantee
<u>x \$3.50</u>	Projected price*
\$280.00	Per acre value of production guarantee

40	Bushels per acre actually produced
<u>x \$3.50</u>	Projected price*
\$140.00	Per acre value of production to count

\$280.00-\$140.00 = \$140.00 Indemnity per acre

Revenue Protection Example:

80	Bushel per acre production guarantee
<u>x \$3.50</u>	Projected price*
\$280.00	Per acre value of production guarantee

40	Bushels per acre actually produced
<u>x \$2.75</u>	Harvest price*
\$110.00	Per acre value of production to count

\$280.00-\$110.00 = \$170.00 Indemnity per acre

*Prices used above are for examples only. Contact your crop insurance agent for current information.

Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site 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/aboutrma/fields/ca_rso/

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