

United States Department of Agriculture Risk Management Agency

November 2009

## 2010 COMMODITY INSURANCE FACT SHEET

# Sugarcane Florida

## **Crop Insured**

The crop insured will be sugarcane, grown for processing for sugar or for seed, in which you have a share. Sugarcane is uninsurable if it was damaged the previous crop year to the extent the sugarcane is unable to produce the yield used to establish the current crop year production guarantee for the unit.

#### **Counties Available**

Glades Martin Hendry Palm Beach

## **Causes of Loss**

Adverse weather conditions Earthquake Failure of irrigation water supply<sup>1</sup> Fire Insects<sup>2</sup> Plant disease<sup>3</sup> Volcanic eruption Wildlife

<sup>1</sup>If caused by an insured peril during the insurance period. <sup>2</sup>But not damage due to insufficient or improper application of pest control measures. <sup>3</sup>But not damage due to insufficient or improper application of disease control measures.

## **Insurance Period**

Coverage begins:

- (1) at the later of the time of planting for plant cane or the date the application is accepted;
- (2) on the first day following harvest of the previous crop for stubble cane that was undamaged during the crop year; or
- (3) on the later of April 15 or 30 days following harvest of the previous crop for stubble cane that was damaged during the crop year.

Coverage ends on April 30th.

## **Reporting Requirements**

Acreage Report—You must report to your agent all acres of the crop in which you have a share by the acreage reporting date.

**Notice of Loss**— In the event of damage or loss, you must:

- 1) protect the crop from further damage by providing sufficient care;
- 2) request an appraisal and give at least 15 days notice before cutting any sugarcane for seed; and
- 3) leave representative samples intact that are at least 10 feet wide and extend the entire length of each field in the damaged unit.

#### **Important Dates**

Sales Closing	September 30
Acreage Reporting	May 31
Premium Billing	
Cancellation/Termination	September 30

## **Definitions**

**Cancellation Date**—The calendar date specified in the crop provisions on which coverage for the crop will automatically renew unless canceled in writing by either you or us or terminated in accordance with the policy terms.

**Plant Cane**—The insured crop which grows from seed planted for the current crop year.

**Stubble Cane**—The insured crop which grows from the stubble of sugar cane that was harvested the previous crop year.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

#### **Coverage Levels and Premium Subsidies**

Coverage levels range from 50 to 75 percent of your approved actual production history (APH) yield. For example, at the 75-percent coverage level, an approved yield of 6,000 pounds of raw sugar per acre would result in a production guarantee of 4,500 pounds of raw sugar per acre. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 75- percent coverage level, your premium share would be 45 percent of the base premium.

ltem	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

#### Loss Example

This example assumes an approved APH yield of 6,000 pounds of raw sugar per acre, a 75-percent coverage level election, and a one-acre unit in Glade County, FL.

6000	Pounds per acre average yield
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- <u>x .75</u> Coverage level election
- 4500 Pounds per acre guarantee
- -2000 Pounds per acre actual production
- 2500 Pounds per acre loss
- x \$ .118 Price election
  - \$ 295 Indemnity per acre

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