United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Rice

Florida

Crop Insured

All of your rice in the county, where a premium rate is provided by actuarial documents, is insurable by yield or revenue protection plans if:

- You have a share in the rice;
- The rice is planted for harvest as grain;
- The rice is flood irrigated; and
- The rice is not wild rice.

Acreage that has been planted to rice the previous year is uninsurable. Talk to your crop insurance agent for specifics.

Yield and Revenue Protection Insurance

One policy provides the choice of three plans:

Yield Protection: Insurance coverage providing protection only against a production loss.

Revenue Protection: Insurance coverage providing protection against loss of revenue due to a production loss, price decline/increase, or a combination of both.

Revenue Protection with Harvest Price Exclusion: Insurance coverage providing protection only against loss of revenue due to a production loss, price decline, or a combination of both.

Counties Available

Glades
Hendry
Palm Beach

Causes of Loss

Adverse weather conditions	Plant disease[3]
Earthquake	Price change[4]
Fire	Volcanic eruption
Insects[1]	Wildlife
Failure of irrigation water supply[2]	

[1]But not damage due to insufficient or improper application of pest control measures. [2]If caused by an insured peril during the insurance period. [3]But not damage due to insufficient or improper application of disease control measures. [4]For Revenue Protection, a change in the harvest price from the projected price.

Insurance Period

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

1) Total destruction of the rice;
2) Harvest of the rice;
3) Final adjustment of a loss;
4) Abandonment of the rice; or
5) October 31.

Important Dates

Sales Closing	February 15
Final Planting	May 31
Acreage Reporting	July 15
Premium Billing	August 15
Cancellation/Termination	February 15

Reporting Requirements

Acreage Report - You must report all acres of your rice, in which you have a share in the county, to your insurance agent by the acreage reporting date.

Notice of Loss - In the event of loss:

1) Protect the crop from further damage by providing sufficient care;
2) Notify your agent within 72 hours of your initial discovery of damage; and
3) Representative samples for each field in the damaged unit must not be destroyed or harvested until our inspection or 15 days after harvest of the balance of the unit is completed and written notice of loss provided.

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.

Prices

Commodity Exchange Price Provisions (CEPP) contains information necessary to derive the projected price and the harvest price for the insured crop.

Projected Price – Determined from the Chicago Board of Trade (CBOT) average daily settlement price of the November futures contract for the period of January 1 – January 31 in accordance with the CEPP. Projected price is used to calculate your premium and any prevented planting payment.

Harvest Price – Determined from the CBOT average daily settlement price of the November futures contract for the period of September 1 – September 30 in accordance with CEPP.

For more information talk to your insurance agent or see: http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/

Definitions

Approved Yield - The average of the actual production history (APH) yields, assigned or adjusted yields, or unadjusted transitional yields that is calculated and approved by your insurance company.

Harvest Price Exclusion – Revenue protection with use of harvest price excluded when determining the revenue guarantee. (Note: Harvest price is not excluded for determining value of production in loss determination.)

Production Guarantee - Pounds guaranteed, per acre, determined by multiplying your approved yield by the coverage level percentage you choose.

Revenue Protection Guarantee – For revenue protection only, amount determined by multiplying the production guarantee by the greater of the projected price or the harvest price. If you choose the harvest price exclusion, the production guarantee is only multiplied by the projected price.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 85 percent of your approved yield. For example, an approved yield of 3,700 pounds per acre would result in a guarantee of 2,405 pounds per acre at the 65-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. Your share of the premium will be 100 percent minus the subsidy amount. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent for basic or optional units. Your premium share is 45 percent of the base premium for basic or optional units (100-55 = 45 percent), 23 percent for an enterprise unit (100-77=23 percent), or 20 percent for a whole farm unit (100-80=20 percent).

Coverage Level %	50	55	60	65	70	75	80	85
Unit Type:	Percent Premium Subsidy							
Basic / Optional	67	64	64	59	59	55	48	38
Enterprise	80	80	80	80	80	77	68	53
Whole Farm*	80	80	80	80	80	80	71	56
* Only available with Revenue Protection policies.								

Catastrophic (CAT) coverage is fixed at 50 percent of your approved yield and 55 percent of the projected price. 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.

Insurance Units

Your insurable acreage is grouped into a unit, based on one of the following unit arrangements:

Basic Units - A basic insurance unit includes all your insurable rice acreage in the county in which you have 100-percent share and includes any cash-rented land. If you also grew rice on shares with another entity, that acreage would be a separate basic unit. A 10-percent premium discount applies. Talk to your agent for more details.

Optional Units - A basic unit may be divided into two or more optional units by section, section equivalent, FSA farm serial number (FSN), or organic practice. No premium discount applies. Talk to your agent for more details.

Enterprise Unit - All insurable rice in the county in which you have a share. To qualify for an enterprise unit, you must:

- Insure under yield or revenue protection; and
- Have at least two section, section equivalent, or FSN which each have the lesser of 20 acres or 20-percent of the insured crop acreage in the enterprise unit; or
- Have one section, section equivalent, or FSN with at least 660 planted acres.

A variable premium discount and increased premium subsidy apply. Talk to your agent for more details.

Whole Farm Unit - Available for Revenue Protection policies only for two or more crops. A variable premium discount and increased premium subsidy apply. Talk to your agent for more details.

Prevented Planting

Prevented planting coverage is 45 percent of your production guarantee for timely planted acreage. If you pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.

Replant Provisions

A replanting payment is allowed if the rice is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage. Replanted rice must be seeded at the rate that is normal for initially planted rice. The maximum amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee or 400 pounds, multiplied by your projected price, multiplied by your insured share.

Loss Example

Yield protection loss occurs when rice production for the unit falls below the production guarantee as a result of damage from a covered cause of loss. Revenue protection loss occurs when the value of production to count is less than the revenue protection guarantee due to a production loss and/or a loss of revenue.

Assume rice, with an approved yield of 3,752 pounds per acre, 75-percent coverage level, 100-percent share and a one-acre basic unit. The projected price is $0.15 per pound, and a harvest price of $0.183 per pound. Due to insurable cause of loss, the production -to-count is 1,500 pounds.

Yield Protection		**Revenue Protection**
3,752	Pounds/acre APH yield	3,752
x .75	Coverage level	x .75
2,814	Pounds/Acre Guarantee	2,814
x $ .15	Projected price	x $ .15
$422	Insurance guarantee	$422
1,500	Pounds produced	1,500
x $ .15	Harvest price	x $ .183
$ 225	Production to count value**	$ 274.50
$ 422	Insurance guarantee*	$ 515
- $ 225	Production to count value**	$ 274.50
$ 197	Indemnity/acre	$ 240.50

* For Revenue Protection, the insurance guarantee is equal to the production guarantee multiplied by the greater of the projected price or the harvest price. In Revenue Protection example, the insurance guarantee increased to $515 (2,814 pounds per acre guarantee x $0.183 harvest price, rounded).

** For Revenue Protection, the production to count value is equal to the production to count multiplied by the harvest price.

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA Service Centers and on the RMA web site: http://www3.rma.usda.gov/tools/agents/

Regional Contact

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