

Valdosta Regional Office — Valdosta, GA

February 2015

Corn

Alabama, Florida, Georgia, South Carolina

Crop Insured

All of your corn is insurable by yield or revenue protection plans in the county if:

- The actuarial documents provide premium rates;
- Adapted to the area, based on days to maturity, and compatible with agronomic and weather conditions in the area;
- Insured as grain and harvested as grain or silage (Your insurance company must be notified before harvest for silage begins);
- It is not interplanted with another crop unless allowed by written agreement; and
- You have a share in the crop.

Insurable corn includes:

- Yellow dent, white, or mixed yellow and white;
- Waxy or high-lysine;
- High-oil corn blends containing mixtures of at least 90 percent high yielding yellow dent female plants with high-oil male pollinator plants; and
- Commercial varieties of high-protein hybrids.

Counties Available

See actuarial documents at <http://webapp.rma.usda.gov/apps/actuarialinformationbrowser2015/CropCriteria.aspx> for insurable counties. The crop may be insurable in other counties by written agreement if specific criteria are met. Talk to your crop insurance agent for more details.

Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Earthquake;
- Failure of irrigation water supply, if caused by an insured peril during the insurance year;
- Fire;
- Insects or plant disease, but not damage due to insufficient or improper application of control measures;
- Price change (for revenue protection);
- Volcanic eruption; or

- Wildlife.

Insurance Period

Coverage begins when the crop is planted and ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest;
- Final adjustment of a loss;
- Abandonment of the crop; or
- December 10.

Important Dates

Sales Closing/Cancellation.....	February 28, 2015
Final Planting.....	Varies By County and State
Acreage Reporting.....	July 15, 2015
Premium Billing.....	August 15, 2015
Termination.....	February 28, 2016

Reporting Requirements

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

Duties in the Event of Damage or Loss

You must perform the following duties in the event of damage or loss:

- Notify your agent within 72 hours of your initial discovery of damage or loss of production, but not later than 15 days after the end of the insurance period.
- Representative samples of the unharvested crop must not be destroyed or harvested until inspected by the insurance company or 15 days after harvest of the balance of the unit is completed, whichever is earlier.

Insurance Plans

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. Harvest price is not excluded for determining value of production in loss determination.

Definitions

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

Commodity Exchange Price Provisions - Contains information necessary to set the projected and harvest prices for the insured crop.

Harvest Price - Determined from the Chicago Board of Trade average daily settlement price of the September corn futures contract for August 1 - August 31 according to the Commodity Exchange Price Provisions.

Projected Price - Determined from the Chicago Board of Trade average daily settlement price of the September corn futures contract for January 15 - February 14 according to the Commodity Exchange Price Provisions. The projected price is used to calculate your premium and any prevented planting payment. For more information talk to your insurance agent or see: webapp.rma.usda.gov/apps/ActuarialInformationBrowser/.

Production Guarantee - Bushels guaranteed determined by multiplying your approved yield per acre, 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. You may choose one coverage level for all your irrigated acreage in the county and a different coverage level for all your non-irrigated acreage. Crop insurance premiums are subsidized as shown in the following table (basic or optional units). Your share of the premium is 100 percent minus the subsidy amount. For example, if you choose the 65 percent coverage level, your coverage will be based on 65 percent of your approved yield and the premium subsidy is 59 percent for basic or optional units. Your premium share is 41 percent of the base premium (100 - 59 = 41). Talk to your crop insurance agent for enterprise or whole-farm unit subsidies.

Item	Percent							
	50	55	60	65	70	75	80	85
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

Catastrophic Risk Protection (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 an administrative fee of \$300 per crop, per county regardless of the acreage.

Insurance Units

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

Optional Units - A basic unit may be divided into two or more optional units by Farm Service Agency farm number, irrigated and non-irrigated acreage, or organic practice. No premium discount applies.

Enterprise Unit - All insurable corn in the county in which you have a share. Enterprise units are allowed by irrigated or non-irrigated practice. To qualify for an enterprise unit, you must have:

- Yield or revenue protection insurance; and
- At least two farm numbers, each having the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit; or
- One farm number with at least 660 planted acres.

A variable premium discount and increased premium subsidy apply.

Whole-Farm Unit - Available only for Revenue Protection policies with two or more crops. A variable premium discount and increased premium subsidy apply. A separate administrative fee is required for each crop included in the whole-farm unit. Talk to your crop insurance agent for more details.

Prevented Planting

Prevented planting coverage is 60 percent of your production guarantee for timely planted acreage. For an additional premium, you may increase your prevented planting coverage.

Replant Provision

You may receive a replanting payment if your corn is damaged by an insurable cause of loss so that the remaining stand will not produce at least 90 percent of the production guarantee and it is practical to replant. The amount of the replanting payment, per acre, is the lesser of 20 percent of

the production guarantee or eight bushels, multiplied by:

- The projected price for your corn crop; and
- Your percent share.

The production guarantee is applied separately to each crop replanted if a whole farm unit is applicable.

Supplemental Coverage Option (SCO)

This policy endorsement provides additional coverage for a part of your corn policy deductible up to the 86 percent coverage level. SCO may be added to individual yield or revenue plans. The coverage is based on your expected crop value. The trigger for a loss is based on an area loss in yield or revenue. Talk with your insurance agent for county availability and detailed information on this endorsement.

Loss Example

A yield protection loss occurs when corn production for the unit falls below the production guarantee because of damage from a covered cause of loss. A 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 revenue loss.

Assume non-irrigated corn with an approved yield of 80 bushels per acre, 65 percent coverage level, 100 percent share, and a one acre basic unit. The projected price is \$6.32 and the harvest price is \$7.13. Due to insurable cause of loss, the production-to-count is 35 bushels.

Yield Protection		Revenue Protection	
80	Bushels/Acre APH yield	80	
x 0.65	Coverage Level	x 0.65	
52	Bushels/Acre Guarantee	52	
x \$6.32	Projected Price	x \$6.32	
\$328.64	Insurance Guarantee	\$ 328.64	
35	Bushels Produced	35	
x \$6.32	Projected or Harvest Price	x \$7.13	
\$221.20	Production-to-Count Value	\$249.55	
\$328.64	Insurance Guarantee	\$370.76	
- \$221.20	Production-to-Count Value	- \$249.55	
\$107.44	Indemnity/Acre	\$121.21	

Notes for Loss Example:

- The Revenue Protection insurance guarantee (initially based on the projected price until the harvest price is established) is equal to the production guarantee multiplied by the greater of the projected price or the

harvest price. In the Revenue Protection example, the insurance guarantee increased to \$370.76 (52 bushels per acre guarantee x \$7.13 harvest price, rounded).

- The Revenue Protection production-to-count value is equal to the production-to-count multiplied by the harvest price (35 bushels x \$7.13 per bushel harvest price = \$249.55).

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 website at: www3.rma.usda.gov/apps/agents/.

Contact Us

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