

## Valdosta Regional Office — Valdosta, GA

February 2015

# Soybeans

## Alabama, Florida, Georgia, South Carolina

### Crop Insured

All of your soybeans are insurable by yield or revenue protection plans in the county if:

- The actuarial documents provide premium rates;
- The variety/hybrid is adapted to the area, based on days to maturity, and is compatible with agronomic and weather conditions in the area;
- Planted for harvest as beans;
- They are not interplanted with another crop (unless allowed by written agreement); and
- You have a share in the crop.

### 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

**Area Risk protection Insurance** - Available only in certain South Carolina counties. Provides protection against widespread loss of either revenues or yields. Individual farm revenues and yields are not considered. It is possible that your individual farm may experience reduced revenue or yield and not receive an indemnity under this plan.

**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 value of production 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 price and harvest price for the insured crop.

**Harvest Price** - Determined from the Chicago Board of Trade average daily settlement price of the January soybean futures contract for the period November 1 – November 30 according to the Commodity Exchange Price Provisions.

**Projected Price** - Determined from the Chicago Board of Trade average daily settlement price of the January soybean futures contract for the period 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/](http://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 (for basic or optional units) are subsidized as shown in the following table. Your share of the premium is 100 percent minus the subsidy amount. For example, if you choose 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 (100 - 55 = 45). Talk to your 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 soybean acreage in the county in which you have 100 percent share and includes any cash-rented land. If you also grew soybeans 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 soybeans 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. If you pay an additional premium you may increase your prevented planting coverage to a level specified in the actuarial documents.

## Replant Provision

You may receive a replant payment if your soybeans are 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 three bushels, multiplied by:

- The projected price for your soybean 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 soybeans 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 soybean 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 a revenue loss. Assume soybeans with an approved yield of 30 bushels per acre, 70 percent coverage level, 100 percent share, and a one-acre basic unit. The projected price is \$13.55 and the harvest price is \$11.71. Due to an insurable cause of loss, the production-to-count is 12 bushels.

Yield Protection		Revenue Protection
30	Bushels/Acre APH yield	30
<u>x 0.70</u>	Coverage Level	<u>x 0.70</u>
21	Bushels/Acre Guarantee	21
<u>x \$13.55</u>	Projected Price	<u>x \$13.55</u>
\$284.55	Insurance Guarantee	\$284.55
12	Bushels Produced	12
<u>x \$13.55</u>	Projected or Harvest Price	<u>x \$11.71</u>
\$162.60	Production to Count Value	\$140.52
\$284.55	Insurance Guarantee	\$284.55
<u>- \$162.60</u>	Production-to-Count Value	<u>- \$140.52</u>
<b>\$121.95</b>	<b>Indemnity/Acre</b>	<b>\$144.03</b>

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 (21 bushels per acre guarantee x \$13.55 projected price = \$284.55).
- The Revenue Protection production-to-count value is equal to the production-to-count multiplied by the harvest price (12 bushels production x \$11.71 per bushel harvest price = \$140.52).

### 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/](http://www3.rma.usda.gov/apps/agents/).

### Contact Us

USDA/RMA  
 Valdosta Regional Office  
 106 S. Patterson St., Suite 250  
 Valdosta, GA 31601-5673  
**Phone:** (229) 242-7235  
**Fax:** (229) 242-3566  
**E-mail:** [rsoga@rma.usda.gov](mailto:rsoga@rma.usda.gov)

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