

## Valdosta Regional Office — Valdosta, GA

January 2016

# Rice

## Florida

### Crop Insured

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

- Actuarial documents provide premium rates;
- Planted for harvest as grain;
- Flood irrigated;
- It is not wild rice; and
- You have a share in the crop.

Acreage planted to rice the previous year is uninsurable. Talk to your crop insurance agent for more information.

### Counties Available

Rice is insurable in Glades, Hendry, and Palm Beach counties. See actuarial documents at <http://prodwebnlb.app.rm.usda.gov/apps/ActuarialInformationBrowser/Default.aspx>. 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 rice;
- Harvest;
- Final adjustment of a loss;
- Abandonment of the rice; or
- October 31.

### Important Dates

Sales Closing/Cancellation .....	February 15, 2016
Final Planting .....	May 31, 2016
Acreage Reporting .....	July 15, 2016
Premium Billing .....	August 15, 2016
Termination .....	February 15, 2017

### Reporting Requirements

**Acreage Report** - You must report all acres of your rice, in which you have a share in the county, to your crop 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 crop insurance 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. The 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 the harvest price for the insured crop.

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

**Projected Price** - Determined from the Chicago Board of Trade average daily settlement price of the November rice futures contract for January 1 – January 31 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 crop insurance agent or see <http://prodwebnlb.app.rm.usda.gov/apps/ActuarialInformationBrowser/Default.aspx>.

**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 (for basic or optional units) 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 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 percent). 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 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.

**Optional Units** - A basic unit may be divided into two or more optional units by section, section equivalent, or organic practice. No premium discount applies.

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

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

A variable premium discount and increased premium subsidy apply.

**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 crop insurance 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

You may receive a replant payment if your rice is damaged by an insurable cause of loss so that the remaining stand does 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 is the lesser of 20 percent of the production guarantee or 400 pounds, multiplied by:

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

### Loss Example

A yield protection loss occurs when rice 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 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 the harvest price is \$0.183 per pound. Due to an insurable cause of loss, the production-to-count is 1,500 pounds.

<b>Yield Protection</b>		<b>Revenue Protection</b>
3,752	Pounds/Acre APH yield	3,752
x 0.75	Coverage Level	x 0.75
2,814	Pounds/Acre Guarantee	2,814
x \$0.15	Projected Price	x \$0.15
\$422	Insurance Guarantee	\$422
1,500	Pounds Produced	1,500
x \$0.15	Projected Price	—
—	Harvest Price	x \$0.183
\$225	Production-to-Count Value	\$274.50
\$422	Insurance Guarantee	\$515
- \$225	Production-to-Count Value	- \$274.50
<b>\$ 197</b>	<b>Indemnity/Acre</b>	<b>\$240.50</b>

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 \$515 (2,814 Pounds per Acre Guarantee x \$0.183 Harvest Price, rounded).

The Revenue Protection Production-to-Count Value is equal to the Production-to-Count multiplied by the Harvest Price (1,500 Pounds Produced x \$0.183 per pound Harvest Price = \$274.50).

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html).

## 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)

## Download Copies from the Web

Visit our online publications/fact sheets page at [www.rma.usda.gov/aboutrma/fields/ga\\_rso/](http://www.rma.usda.gov/aboutrma/fields/ga_rso/).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, complete, sign and mail a program discrimination complaint form, (available at any USDA office location or online at [www.ascr.usda.gov](http://www.ascr.usda.gov)), to: United States Department of Agriculture; Office of the Assistant Secretary for Civil Rights; 1400 Independence Ave., SW; Washington, DC 20250-9410. Or call toll free at (866) 632-9992 (voice) to obtain additional information, the appropriate office or to request documents. Individuals who are deaf, hard of hearing, or have speech disabilities may contact USDA through the Federal Relay service at (800) 877-8339 or (800) 845-6136.