United States Department of Agriculture
Risk Management Agency

February 2006

2006 COMMODITY INSURANCE FACT SHEET

Grain Sorghum

Illinois Indiana Ohio

Crop Insured

The crop insured will be combine-type hybrid grain sorghum planted for harvest as grain. This fact sheet does not cover grain sorghum revenue products that are currently available.

Counties Available

See your crop insurance agent for a listing of eligible counties. In counties where premium rates are not provided by an actuarial table, the crop may be insurable by written agreement if specific criteria are met.

Causes of Loss

Adverse weather conditions
Earthquake
Failure of irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period
Fire
Insects*
Plant disease*
Volcanic eruption
Wildlife

All specified causes of loss must be due to a naturally occurring event.
*But not damage due to insufficient or improper applicant of pest or disease control measures.

Insurance Period

Insurance attaches at the time of planting and ends the earliest of: (1) total destruction of the crop, (2) combining or threshing of grain sorghum, (3) final adjustment of a loss, (4) abandonment of the crop on the unit, or (5) December 10.

Reporting Requirements

Acreage Report - You must give a report to your insurance provider all acreage of the insured crop in the county in which you have a share, the practice, and your share at the time of planting.

Important Dates

Sales Closing .... March 15
Final Planting... June 20
Acreage Report ....July 15
Cancellation... March 15

Definitions

Production Guarantees - Number of bushels guaranteed per acre, determined by multiplying your average yield per acre times the coverage level percentage you elect. Yields are based on actual production history (APH) records reported to your insurance provider.

Coverage Levels and Premium Subsidies

The grain sorghum policy guarantees a certain amount of production, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

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

The total cost for CAT coverage will be an administrative fee of $100 per crop per county, regardless of the acreage. All other coverage levels require a $30.00 administrative fee.

Price Elections

Price at which you are compensated per bushel in the event of a loss, based on the percentage of established price you have selected. Price election percentage choices for this crop year are 55 percent to 100 percent of the price shown below.

Established Price:
$1.95 per bushel

* No additional price set for the 2006 crop year.

Replant Provisions

A replanting payment is available if we determine it is practical to replant on a unit and our appraisal does not exceed 90 percent of your guarantee, and you replant at least 20 acres or 20 percent of the unit. The replanting payment will be the lesser of 20 percent of the bushel guarantee or 7 bushels times your price election, multiplied by your share. **Replant payments are not available on the catastrophic risk protection endorsement.**

Late and Prevented Planting

These provisions provide protection on acreage that is planted late or that cannot be planted by the final planting date or within the 25-day late-planting period. Please consult your crop insurance provider for further details.

Loss Example

A loss occurs when crop production falls below the guaranteed bushel amount as a result of damage from a covered cause of loss. This example assumes 65 percent coverage level and a 100-percent price election of $1.95 and an average yield of 100 bushels per acre with .667 share.

APH yield x coverage level x unit acres - production x price election x share

100	Bushels APH yield
x .65	Coverage level
65	Bushels per acre guarantee
x 100	Acres
6,500	Bushels unit guarantee
- 1,200	Bushels production
5,300	Bushels loss
x $1.95	Price election
$10,335	Unit indemnity
x .667	Share
$6,893	**Final indemnity**

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