



United States Department of Agriculture  
Risk Management Agency

February 2006

## 2006 COMMODITY INSURANCE FACT SHEET

# Hybrid Seed Corn

Illinois Indiana Michigan Ohio

### Crop Insured

The crop insured will be all the **female parent plants** in the county:

1. which are planted for harvest as commercial hybrid seed corn in accordance with the requirements of the hybrid seed corn processor contract and the production management practices of the seed company;
2. which are grown under a hybrid seed corn processor contract executed before the acreage reporting date;
3. which are grown on insured acreage; and
4. for which a premium rate is provided by the actuarial documents.

management practices of the seed company.

- Inadequate germination.
- Failure to plant the male parent plant seed at a time or in a manner sufficient to assure adequate pollination of the female parent plants.

### 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 application of pest or disease control measures.

### Excluded Causes of Loss

- The use of unadapted, incompatible, or genetically deficient male or female parent plant seed.
- Frost or freeze after the date established by the Special Provisions: Illinois - October 15; Indiana - October 10; Michigan - October 10; Ohio - October 10 or 15 (varies by county).
- Failure to follow the requirements stated in the hybrid seed corn processor contract and production

### Insurance Period

Coverage begins upon completion of planting the female parent plant seed (by the final planting date) and the male parent seed, and ends the earliest of: 1) total destruction of the crop; 2) combining, threshing or picking ears from the female parent plants; 3) final adjustment of a loss; 4) abandonment of the crop; or 5) October 31.

### Reporting Requirements

**Acreage Report** - You must report to your insurance provider all acreage of the insured crop in the county in which you have a share, by practice/type and variety, and your share at the time of planting. You must also certify that you have a hybrid seed corn processor contract in effect and report the amount of any minimum guaranteed payment.

### Important Dates

Sales Closing .....	March 15
Final Planting.....	Varies by county
Acreage Report .....	July 15
Cancellation.....	March 15

### Definitions

**Amount of Insurance Per Acre** - A dollar amount determined by multiplying the adjusted yield by the price election you select and subtracting any minimum guaranteed payment, not to exceed the total compensation specified in the hybrid seed corn processor contract.

**Approved Yield** - An amount we determine to be representative of the yield that the female parent plants are expected to produce when grown under a specific production practice. We will establish the approved yield based upon records provided by the seed company and other information deemed appropriate.

### Coverage Levels and Premium Subsidies

Instead of guaranteeing production, the hybrid seed corn policy guarantees a yield-based dollar amount of coverage, 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	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Share	33	36	36	41	41	45	52	62

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 which is multiplied by county yield to determine amount of insurance.

#### Established Price:

\$1.95 per bushel

\*Additional price for the 2006 crop year is \$2.00 per bushel

### 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. Prevented planting coverage will be 50 percent of the producer's amount of insurance for timely planted acreage. Please consult your crop insurance provider for further details.

### Loss Example

A loss occurs when the crop value falls below the guaranteed dollar 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 with .667 share.

**Coverage level yield x price election x unit acres - production x share**

100	Bushels coverage level yield
x \$1.95	Price election
\$195	Amount of insurance per acre
x 100	Acres
\$19,500	Unit guarantee
- \$9,500	Production to count <sup>1</sup>
\$10,000	Unit indemnity
x .667	Share
<b>\$6,670</b>	<b>Final indemnity</b>

<sup>1</sup>Approved yield is determined by the regional office from which the dollar value per bushel is determined.

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