



United States Department of Agriculture
Risk Management Agency

February 2010

2010 COMMODITY INSURANCE FACT SHEET

Popcorn

Illinois Indiana Michigan Ohio

Crop Insured

The crop insured will be popcorn planted for harvest as popcorn, grown on insured acreage under a contract executed with a processor, and for which a premium rate is provided by the actuarial table.

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.

Insurance Period

Coverage begins at the time of planting and ends the earliest of: (1) total destruction of the crop, (2) harvest, (3) final adjustment of a loss, (4) date the processor contract is fulfilled, or (5) December 10.

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, the practice, and your share at the time of planting. Also, you must provide a copy of all processor contracts by the acreage reporting date.

Important Dates

Sales Closing.....	March 15
Final Planting.....	May 31
Acreage Report	July 15
Cancellation.....	March 15

Definitions

Production Guarantees - Number of pounds guaranteed per acre determined by multiplying your approved 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 popcorn 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.

The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. All other coverage levels require a \$30.00 administrative fee.

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

Price Elections

Price at which you are compensated per pound in the event of a loss, based on the percentage 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:

\$0.155 per pound

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 production guarantee or 150 pounds times your price election, multiplied by our share. Replant payments are **not available** on the catastrophic coverage endorsement.

Late and Prevented Planting

Late planting provisions in the basic provisions are applicable for popcorn if you provide written approval from the processor by the acreage reporting date that it will accept the production from the late planted acres when it is expected to be ready for harvest. Prevented planting coverage will be 60 percent of your production guarantee for timely planted acres.

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. Revenue losses caused by low market prices or low consumer demand are not covered. Example assumes an APH average yield of 4,000 pounds per acre, the 65-percent coverage level and a 100-percent price election of \$0.155 with .667 share. **APH yield x coverage level x unit acres—production x price election x share**

4,000	Pounds APH yield
x .65	Coverage level
2,600	Pounds per acre guarantee
x 10	Acres
26,000	Pounds unit guarantee
- 9,000	Pounds production
17,000	Pounds loss
x \$0.155	Price election
\$2,635	Unit indemnity
x .667	Share
\$1,758	Final indemnity

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