United States Department of Agriculture
Risk Management Agency

March 2011

2011 COMMODITY INSURANCE FACT SHEET

Processing Beans

Illinois Indiana Michigan

Crop Insured

The crop insured will be processing beans grown under, and in accordance with, a contract executed with a processor.

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) the date the crop should have been harvested but wasn't, (3) harvest of the unit, (4) final adjustment of loss, (5) the date the processor contract is fulfilled, or (6) September 20 (snap beans), October 5 (lima beans).

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 .... June 20*
Acreage Report... July 15**
Cancellation ....March 15

* Final planting date is July 15 in Michigan.
** Acreage reporting date is August 15 in Michigan.

Definitions

Production Guarantees - Number of tons 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 processing bean 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 $300 per crop per county, regardless of the acreage. All other coverage levels require a $30.00 administrative fee.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

Price Elections

Price at which you are compensated per ton in the event of a loss, based on the percentages of established price you have selected. Price election percentage choices for this crop year are 55 percent to 100 percent of the prices shown below. Separate prices for snap and limas are available in limited counties (see your crop insurance agent).

Established Prices:

Illinois (Snap):	$125
Indiana (Snap):	$180
Michigan (Snap):	$165
Illinois (Lima):	$405

Additional Prices:

Illinois (Snap):	$190
Indiana (Snap):	$285
Michigan (Snap):	$275
Illinois (Lima):	$670

Prevented Planting

This provision provides protection on eligible acreage that cannot be planted by the final planting date. Please consult your crop insurance provider for further details.

Loss Example

A loss occurs when crop production falls below the guaranteed tonnage amount as a result of damage from a covered cause of loss. This example assumes 75-percent coverage level and a price election of $405.00 (limas) and an average yield of 2.0 tons per acre with 100-percent share in Illinois.

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

2.0	Ton APH yield
x .75	Coverage level
1.5	Tons per acre guarantee
x 100	Acres
150	Tons unit guarantee
- 40	Tons production
110	Tons loss
x $405	Price election
$44,550	Unit indemnity
x 1.000	Share
$44,550	**Final indemnity**

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