



United States Department of Agriculture  
Risk Management Agency

February 2013

## 2013 COMMODITY INSURANCE FACT SHEET

# Grain Sorghum

Illinois Indiana Ohio

### What crop is insurable?

You can insure grain sorghum:

- grown in the county on insurable acreage,
- for which premium rates are provided,
- that is grown from hybrid seed,
- that is not a dual purpose type of grain sorghum (grown for both grain and forage),
- in which you have a share, and
- planted for harvest as grain.

### When am I protected by insurance?

Insurance coverage begins on the later of:

- the date your application is accepted, or
- the date you plant the grain sorghum.

Insurance coverage ends at the earliest of:

- total destruction of the crop,
- harvest of the crop,
- final adjustment of a loss,
- abandonment of the crop, or
- December 10.

### What am I protected against?

You are protected against the following:

- Adverse weather conditions
- Failure of irrigation water supply
- Fire
- Insect damage and/or plant disease\*
- Wildlife

\*Unless you have insufficiently or improperly applied pest or disease control measures.

### What dates should I be aware of?

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

### What am I required to report?

You must report all of your grain sorghum acreage, production and any losses, when evident, to your insurance agent.

### How much of my premium is subsidized?

Crop insurance premiums are subsidized as shown in the following table. 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

### What are my coverage options?

**Yield Protection:** Only protects against a production loss. Your guarantee is determined by multiplying the production guarantee (per acre) by the projected price. The harvest price is not used.

**Revenue Protection:** Protects against loss of revenue due to a production loss, change in price or a combination of both. Your guarantee is determined by multiplying the production guarantee (per acre) by the greater of the projected price or the harvest price.

**Revenue Protection with Harvest Price Exclusion:** Protects against loss of revenue due to a production loss, price decline or a combination of both. Your guarantee is determined by multiplying your production guarantee (per acre) by the projected price.

**Catastrophic Coverage (CAT):** Pays 50 percent of your average yield and 55 percent of the projected price. You pay a \$300 administrative fee per crop per county, regardless of acreage.

### What are projected and harvest prices?

**Projected Price** (for yield and revenue protection): Based on the Chicago Board of Trade average daily settlement price of the December Futures Contract from February 1 to February 28.

**Harvest Price:** Based on the Chicago Board of Trade average daily settlement price from October 1 to October 31 for December Futures Contracts. A harvest price protects you when fall prices are above the projected price. *If you choose revenue protection with harvest price exclusion, you will not use the harvest price.*

### How can I insure my acreage?

**Basic Unit:** Includes all of your insurable grain sorghum acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

**Optional Unit:** If a basic unit consists of two or more sections of land, and you meet record keeping requirements, you may apply for optional units by section. The 10 percent premium discount will not apply.

**Enterprise Unit:** Combines all of your insurable grain sorghum acreage in the county. Premium discounts apply.

**Whole Farm Unit:** All of the insured crops in the county that are covered by your insurance plan. Premium discounts apply.

### What if I am unable to plant or need to replant?

#### Replant Provisions:

You may receive a replanting payment if:

- it is practical to replant on a unit,
- the appraisal does not exceed 90 percent of your guarantee, and
- you replant at least 20 acres or 20 percent of the unit.

Your replanting payment will be the lesser of:

- 20 percent of the bushel guarantee, or
- 7 bushels multiplied by your price election, multiplied by your share.

Replant payments are **not available** on CAT coverage.

**Late Planting Period:** If you choose to plant after the final planting date, your insurance guarantee is reduced by one percent for each day after the final planting date. After 25 days, your guarantee is 60 percent.

**Prevented Planting:** You may receive a prevented planting payment if you are unable to plant on or before the final planting date because of an insurable cause. Prevented planting is only available on yield and revenue policies.

### Loss Example

This example assumes 75-percent coverage level on a

Revenue Protection with Harvest Price Exclusion plan and an average yield of 100 bushels per acre with 100 percent share. The projected price is \$5.53 and the harvest price is \$6.15.

100	Average yield
x .75	Coverage level
75	Bushels per acre guarantee
x 100	Acres
7,500	Bushels unit guarantee
x \$5.53	Projected price
\$41,475	Revenue protection guarantee
4,500	Actual bushels harvested
x \$6.15	Harvest price
\$27,675	Value of bushels harvested
\$47,475	Revenue protection guarantee
- \$27,675	Value of bushels harvested
\$19,800	Unit indemnity
x 1.000	Share
<b>\$19,800</b>	<b>Final Indemnity</b>

### Where can I get a policy?

You can buy a crop insurance policy from approved participating insurance agents. You can get a list of agents at any USDA service center or on the RMA web site: <http://www3.rma.usda.gov/apps/agents/>.

### Regional Contact

#### USDA/Risk Management Agency

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