USDA RMA

United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Sugar Beets

Michigan

What crop is insurable?

You can insure sugar beets:

- that are planted for harvest as sugar beets,
- for which premium rates are provided,
- in which you have a share, and
- that are grown under, and in accordance with, a contract with a processor for processing as sugar.

When am I protected by insurance?

Insurance coverage begins at the later of:

- the date your application is accepted, or
- the date you plant the sugar beets.

Insurance coverage ends at the earliest of:

- total destruction of the crop,
- the date the crop should have been harvested,
- abandonment of the crop,
- final adjustment of a loss,
- the date the processor contract is fulfilled,
- the date harvest is completed, or
- November 15.

What am I protected against?

You are protected against the following:

- Adverse weather
- 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... May 20
Acreage Report .... July 15
Cancellation .... March 15

What am I required to report?

You must report all of your sugar beet 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
Premium Subsidy	67	64	64	59	59	55
Your Share	33	36	36	41	41	45

What are my coverage options?

Actual Production History (APH): You choose the amount of your average yield you wish to insure (50-75%) and the percent of the RMA predicted price (from 55-100%). If your production falls below the yield insured, you are paid a loss.

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.

How can I insure my acreage?

Basic Unit: Includes all of your insurable sugar beet 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.

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.

Is my production guaranteed?

Production Guarantee (per acre): Your average approved yield per acre multiplied by the coverage level you elect. Yields are based on your actual production history (APH) records you reported to your insurance agent.

What price will I get if I have a loss?

Price Election: The price you are paid per ton if you have a loss. This is based on the percentage of the established price you chose. For the 2013 crop year, you may choose 55 to 100 percent of the price shown below.

Established Price **$58.95/cwt**

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, and
- the appraisal does not exceed 90 percent of your final stage guarantee, and
- you replant at least 20 acres or 20 percent of the unit.

Your replanting payment will be the lesser of:

- 10 percent of the final stage guarantee, or
- 1.5 tons 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, the insurance guarantee is reduced by one percent for each day after the final planting date. After 25 days, the 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.

Loss Example

A loss occurs when crop production falls below the guaranteed tonnage amount. This example assumes 65-percent coverage level and a price election of $58.95 and an average yield of 30 tons per acre with .667 share.

30	Tons APH yield
x .65	Coverage level
19.5	Tons per acre guarantee
x 100	Acres
1,950	Tons unit guarantee
- 1,500	Tons (*actual tons harvested)
450	Tons loss
x $58.95	Price election
$26,527.50	Unit indemnity
x .667	Share
$17,694	**Final Indemnity**

*Average percentage of sugar will be taken into account when computing harvested tons.

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
Springfield Regional Office
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