



United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Processing Beans

Illinois Indiana Michigan

What crop is insurable?

You can insure snap and lima type processing beans:

- which are planted for harvest as processing beans,
- for which premium rates are provided,
- in which you have a share,
- grown under, and in accordance with, a processor contract, and
- grown in the county on insurable acreage.

When am I protected by insurance?

Coverage begins on the later of:

- the date we accept your application, or
- the date you plant the processing beans.

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,
- harvest of the crop, or
- September 20 for snap beans, and
- October 5 for lima beans.

What am I protected against?

- 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 am I NOT protected against?

You are not protected against damage from the following causes of loss:

- failure to follow the requirements in the processor contract, or
- bypassing acreage because of the breakdown of equipment or facilities or the availability of a crop insurance payment.

What dates should I be aware of?

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

*Final planting date is July 15 in Michigan

**Acreage reporting date is August 15 in Michigan

What am I required to report?

You must report all of your processing bean acreage, production, and any losses, when evident, to your insurance agent. You must also provide a copy of all processor contracts.

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): The only plan of insurance available for processing beans. 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.

How can I insure my acreage?

Basic Unit: If your processor contract specifies the number of acres to be planted, a basic unit includes all your insurable processing bean acreage in the county by share arrangement. If the processor contract specifies the amount of production to be delivered, a

basic unit includes all acreage planted to the insured crop in the county that will be used to fulfill contracts with each processor. 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. Optional units are not available if the processor contract stipulates the amount of production to be delivered.

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 prices shown below.

Snap Beans Established Price

Illinois	\$175
Indiana	\$235
Michigan	\$230

Lima Beans Established Price

Illinois	\$500
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What if I am unable to plant or need to replant?

Practical to Replant: Your company will determine if it is practical to replant. The processor must agree **in writing** that it will accept production from replanted acreage before your company can determine it is practical to replant.

Replant payments **are not available.**

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. Your prevented planting coverage is 40 percent of your production guarantee. You may purchase up to 50 percent prevented planting coverage, for additional premium.

Processing beans planted after the final planting date will not be covered by this policy.

Loss Example

A loss occurs when crop production falls below the guaranteed tonnage amount. This example assumes 75-percent coverage level and a price election of \$500.00 (limas) and an average yield of 2.0 tons per

acre with 100-percent share in Illinois.

2.0	Average yield ton
x .75	Coverage level
1.5	Tons per acre guarantee
x 100	Acres
150	Tons unit guarantee
- 40	Tons production
110	Tons loss
x \$500	Price election
\$55,000	Unit indemnity
x 1.000	Share
\$55,000	Final Indemnity

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

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