



United States Department of Agriculture  
Risk Management Agency

October 2008

## 2008 COMMODITY INSURANCE FACT SHEET

# Dry Beans

Colorado, Kansas, and Nebraska

### Crop Insured

The crop insured will be all the dry beans grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, and planted for harvest as dry beans. Other types or practices are not insurable unless a written agreement provides for such insurance. Contact your crop insurance agent for details on requesting a written agreement.

### Counties Available

Dry beans are insurable in 24 counties throughout Colorado, 12 counties throughout Kansas, and 26 counties throughout Nebraska.

Contact an agent for more details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Wildlife

<sup>1</sup>Including hail, frost, freeze, excess precipitation, and drought.

<sup>2</sup>If due to an insured cause of loss within the insurance period.

<sup>3</sup>If due to natural causes.

<sup>4</sup>But not damage due to insufficient or improper applications of pest or disease control measures.

### Insurance Period

Insurance coverage will begin on the later of the date we accept your application or the date when the dry beans are planted, and will end at the earliest of: (1) total destruction of the crop, (2) harvest of the unit, (3) final adjustment of loss, (4) October 31, 2008, or (5) abandonment of the crop.

### Reporting Requirements

**Acreage Report** — You must give a report of all your dry bean acreage in the county by the acreage reporting date.

### Important Dates

Sales Closing/Cancellation Date ..... March 17, 2008  
Acreage Report Date for NE ..... June 30, 2008  
Acreage Report Date for KS & CO ..... July 15, 2008  
Premium Billing Date ..... October 1, 2008  
End of Insurance ..... October 31, 2008

The dates shown above will apply to all counties in Colorado, Kansas and Nebraska except for those counties designated below that have different Final Planting Dates:

Final Planting Date<sup>1</sup> ..... June 15, 2008  
Final Planting Date<sup>2</sup> ..... June 20, 2008  
Final Planting Date<sup>3</sup> ..... June 25, 2008

<sup>1</sup>Applies to the following counties in Colorado: Dolores, La Plata, Montezuma, and San Miguel.

<sup>2</sup>Applies to all insurable acreage in Nebraska and the following counties in Colorado: Adams, Boulder, Cheyenne, Crowley, Delta, El Paso, Kit Carson, Larimer, Lincoln, Logan, Mesa, Montrose, Morgan, Otero, Phillips, Pueblo, Sedgwick, Washington, Weld, and Yuma.

<sup>3</sup>Applies to all insurable acreage in Kansas.

### Definitions

**APH Yield** — Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual and/or assigned yields.

**Unit** — The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity.

**Production Guarantee** — Number of pounds guaranteed per unit. Multiply your APH yield per acre  $\times$  the coverage level percentage you select  $\times$  the number of acres in the unit.

**High Risk Land (HRL)** — Land designated on a map in the actuarial documents with a high risk rate classification, requiring a higher premium rate due to higher risk.

**HRL Exclusion Option** — An agreement to exclude from crop insurance coverage all high risk land by crop and county, as signed on our form by the sales

closing date. Catastrophic coverage is still available when this option is in effect.

## Coverage Levels and Premium Subsidies

Dry beans may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

For example, if you select the 75-percent coverage level, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage will be an administrative fee of \$100 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

## Price Elections

Price of compensation per pound in case of loss:

Additional prices for dry beans are listed below:

Black are \$0.33 per pound.

Great Northern and Small Red are \$0.32 per pound.

Light Red Kidney are \$0.40 per pound.

Pea (Navy, Medium White) are \$0.31 per pound.

Pink and Pinto are \$0.29 per pound.

Yellow are \$0.35 per pound.

Anasazi are \$0.36 per pound.

Small White are \$0.31 per pound.

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable dry bean 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 certain record keeping requirements are met, you may apply for optional units by section. In addition to, or instead of, establishing optional units by section, optional units may be established for each dry bean type insurable in the county. The 10-percent premium discount will not apply to optional units.

## Plans of Insurance

APH is the only plan of insurance available for dry beans. The production guarantee is based on your individual yield history.

## Replant Provisions (not available under CAT)

A replanting payment is allowed only if the crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your production guarantee and it is practical to replant. The maximum replanting payment will be the lesser of 10 percent of the production guarantee or 120 pounds, times your price election.

## Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. Please consult a crop insurance agent for details.

## Loss Example

A loss occurs when the pounds of dry beans produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 1,400 pounds per acre APH yield, 65-percent coverage level, 100 percent of the established price, and basic unit coverage.

$$\begin{array}{r}
 1400 \text{ pounds per acre APH yield} \\
 \times .65 \text{ coverage level} \\
 \hline
 910 \text{ pound guarantee*} \\
 - 410 \text{ pounds per acre actually produced} \\
 \hline
 500 \text{ pounds per acre loss} \\
 \times \$0.23 \text{ price election} \\
 \hline
 \text{\$115.00 gross indemnity*}
 \end{array}$$

\*Figures shown are on a per acre basis; guarantees and losses paid are on a unit basis. See policy provisions.

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