



United States Department of Agriculture  
Risk Management Agency

December 2010

## 2011 COMMODITY INSURANCE FACT SHEET

# Corn

## Colorado

### Crop Insured

The crop insured will be all corn grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, and planted for harvest as either grain or silage under the Common Crop Insurance Policy. Corn insured includes yellow dent or white corn, including mixed yellow and white, waxy, or high-lysine corn. Other corn, such as high-amylose, high-oil, flint, flour, Indian, blue corn, or a variety genetically adapted to provide forage for wildlife, a variety of corn adapted for silage use when the corn is reported for insurance as grain, or any open pollinated corn are not insurable unless a written agreement provides for such insurance. Contact a crop insurance agent for further details on written agreements. Non-irrigated corn planted following another crop that has reached the headed (or budded) stage or where a perennial hay crop was harvested is not insurable.

### Counties Available

Corn is insurable in 26 counties throughout Colorado.

Coverage in other counties may also be available by individual written agreement if certain criteria are met, including records for at least three years of production history.

### 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 application of pest or disease control measures.

### Insurance Period

Insurance coverage begins on the later of the date we accept your application or the date when the corn is planted, and will end at the earliest of: (1) total destruction of the crop, (2) harvest of the unit, (3) final adjustment of a loss, (4) December 10, 2011, or (5) abandonment of the crop.

### Reporting Requirements

**Acreage Report**—You must give a report to your crop insurance agent of all your corn acreage in the county by the acreage reporting date.

### Important Dates

Sales Closing/Cancellation Date ..... March 15, 2011  
Earliest Planting Date<sup>1</sup> ..... April 15, 2011  
Final Planting Date<sup>1</sup> ..... May 25, 2011  
Acreage Report Date ..... July 15, 2011  
Premium Billing ..... October 1, 2011  
End of Insurance ..... December 10, 2011

<sup>1</sup> Excluding Delta, La Plata, Mesa, and Montrose Counties which have an earliest planting date of May 1, 2011 and a final planting date of June 15, 2011.

### Coverage Levels and Premium Subsidies

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

Coverage Level		0.50	0.55	0.60	0.65	0.70	0.75	0.80 <sup>1</sup>	0.85 <sup>1</sup>
Subsidy Factors	Enterprise Unit	0.80	0.80	0.80	0.80	0.80	0.77	0.68	0.53
	Basic Unit	0.67	0.64	0.64	0.59	0.59	0.55	0.48	0.38
	Optional unit	0.67	0.64	0.64	0.59	0.59	0.55	0.48	0.38
	Whole Farm Unit <sup>2</sup>	0.80	0.80	0.80	0.80	0.80	0.80	0.71	0.56

If you select the 0.75 coverage level and Enterprise Units, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 77 percent, and your premium share is 33 percent of the base premium.

<sup>1</sup>Where applicable.

<sup>2</sup>Not available for Yield Protection Plan

## Catastrophic Coverage

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 \$300 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. Available for Yield Protection Plan only.

## Price Elections

Prices are calculated in accordance with the Commodity Exchange Price Provisions. Colorado corn prices are based on the December futures market price for corn. The projected price discovery period is February 1 through February 28. The harvest price discovery period is October 1 through October 31. These prices will be released no later than three business days following the end of the price discovery period. Depending on the insurance plan, these prices will be used for compensation per pound in case of loss. Contact your agent or for more information see: <http://www.rma.usda.gov/tools/pricediscovery.html>

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable corn 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. The 10-percent premium discount will not apply.

**Enterprise Unit:** Generally, all insured crop acreage in a county. Premium discounts apply.

**Whole Farm Unit:** Generally, all the insured crops in the county that are covered by the insurance plan. Premium discounts apply (Not available under the Yield Protection Plan).

## Plans of Insurance

### Common Crop Insurance Policy

Crops previously covered under APH, CRC, IP, and RA have both Yield Protection and Revenue Protection under the new Common Crop Insurance Policy Basic Provisions (11br).

- **Yield Protection Plan** is a plan of insurance that only provides protection against a production loss and is available only for crops for which revenue protection is available.
- **Revenue Protection Plan** is plan of insurance that provides protection against loss of revenue due to a production loss, price decline or increase, or a combination of both.

- **Harvest price exclusion** - Revenue protection with the use of the harvest price excluded when determining your revenue protection guarantee. This election is continuous unless canceled by the cancellation date.

## Replant Provisions (not available under CAT or GRP/GRIP plans of insurance)

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 bushel guarantee and it is practical to replant. The maximum replanting payment will be the lesser of 20 percent of the bushel guarantee, or 8 bushels times your price election. No replanting payment will be made on acreage initially planted prior to the earliest planting date.

## Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. In lieu of Section 1 of the Basic Provisions, the late planting period begins the day after the final planting date for the insured crop and ends 20 days after the final planting date. Not available on GRP or GRIP plans of insurance.

## Loss Example

Under yield protection a loss occurs when the bushels of corn produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. Under revenue protection a loss occurs when the value of production to count is less than the revenue protection guarantee due to a production loss and/or a loss of revenue. This example assumes a 160 bushel per acre APH yield, 75-percent coverage level, 100 percent of the price, a Projected price of \$3.75, a Harvest price of \$3.25, and basic unit coverage.

<u>Yield Protection</u>		<u>Revenue Protection</u>	
160	APH yield bushels/acre	160	
x .75	Coverage level	x .75	
120	Bushel guarantee	120	
x \$3.75	Projected price	x \$3.75	
\$450.00	Insurance Guarantee	\$450.00	
50	Bushels per acre produced	50	
x \$3.75	Price used to determine value	x \$3.25	
\$187.50	Value of production	\$162.50	
\$450.00	Insurance Guarantee	\$450.00	
- \$187.50	Value of production	- \$162.50	
<b>\$263.00</b>	<b>Gross indemnity*</b>	<b>\$288.00</b>	

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

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