USDA RMA

United States Department of Agriculture
Risk Management Agency

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2011 COMMODITY INSURANCE FACT SHEET

Fresh Market Sweet Corn

Colorado

Crop Insured

The crop insured will be all the irrigated sweet corn grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, planted for harvest and sold as fresh market sweet corn, and has been grown by a person who in at least one of the three previous crop years grew sweet corn for commercial sale; or participated in managing a sweet corn farming operation.

Counties Available

Sweet Corn is insurable in Adams, Boulder, Delta, Mesa, Montrose and Weld counties in Colorado. Fresh market sweet corn in counties with no actuarial table are not insurable unless a written agreement is issued. See a crop insurance agent for details on requesting a written agreement.

Causes of Loss

Adverse weather conditions[1]
Earthquake
Failure of irrigation water supply[2]
Fire[3]
Insects[4]
Plant disease[4]
Volcanic eruption
Wildlife

[1]Such as hail, freeze, excess wind, excess rain, drought, and tornado.
[2]If caused by an insured cause of loss within the insurance period.
[3]If due to natural causes.
[4]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 Fresh Market Sweet 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) 100 days after the date of planting or replanting or, (5) abandonment of the crop.

Important Dates

Sales Closing	March 15, 2011
Final Planting Date[1]	June 15, 2011
Final Planting Date[2]	June 20, 2011
Final Planting Date[3]	June 25, 2011
Acreage Report Date	July 15, 2011
Premium Billing Date	October 1, 2011

[1]Delta, Mesa, and Montrose counties.
[2]Boulder county.
[3]Adams and Weld counties.

Reporting Requirements

Acreage Report—You must give a report of all your fresh market sweet corn acreage in the county by the acreage reporting date (July 15).

Definitions

Allowable Cost—An amount not to exceed $3.00 per container for harvesting and marketing costs (such as picking, hauling, packing, shipping) is subtracted from the price received for each container of sweet corn to determine value of sold production.

Container — 48-52 ears of fresh sweet corn.

Production Guarantee — A guaranteed dollar amount of coverage that you select prior to planting.

Minimum Value — A minimum of $1.85 per container will be applied to any sold production that is valued at less than $1.85 after subtracting the allowable cost. Unsold appraised production will also be valued at the minimum value.

Reference Maximum Dollar Amount — The value per acre established for the state. Your guarantee is derived from multiplying the reference maximum dollar amount by the level of coverage.

Written Agreement— Document designed to provide coverage for insurable crops when coverage or rates are unavailable and to modify insurance offers when specifically permitted.

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.

Coverage Levels and Premium Subsidies

Sweet corn may be insured at the coverage levels shown in the table. Crop insurance premiums are subsidized as shown. For example, if you select the 75-percent coverage level, your coverage will be 75 percent of the reference maximum dollar amount, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium. Catastrophic coverage (CAT) is available at 27.5 percent of the reference maximum dollar amount. *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.

Reference Maximum Dollar Amount = $1570

Coverage Level	Coverage Amount	Subsidy %	Your Premium Share
CAT*	$432	100%	0%
50%	$785	67%	33%
55%	$864	64%	36%
60%	$942	64%	36%
65%	$1021	59%	41%
70%	$1099	59%	41%
75%	$1177	55%	45%

Stage Guarantees

In the event of a covered cause of loss, the indemnity will be reduced if damage occurs during the first stage of growth as shown in the table below. This reduction in guarantee reflects the absence of harvesting costs and certain other crop maintenance expenses that will not be incurred if the crop is not carried to harvest.

Stage	Interval	Percent of Guarantee
1	From planting through the beginning of tasselling (i.e., when the tassel becomes visible above the whorl)	65%
Final	From tasseling until the acreage is harvested	100%

Replant Provisions (not available under catastrophic coverage)

A replanting payment is allowed only if the crop is damaged by a covered cause of loss to the extent that more than 25 percent of the plant stand will not produce sweet corn and it is practical to replant. The maximum replanting payment will be the lesser of your actual cost of replanting or $65 per acre.

Loss Example

A loss occurs when the crop value falls below the guaranteed dollar amount as a result of damage from a covered cause of loss.

The example below assumes a dollar guarantee of $1177 (75 percent) per acre. Assume that only 50 containers of sweet corn per acre were produced and sold for $12 each. Subtracting the allowable cost of $3.00 per container leaves a net value of $9 per container and a crop value of $450 per acre (50 containers x $9.00)

	$1,177	Dollar amount of coverage per acre
-	450	Production value per acre
	$727	Loss per acre
-	30	Estimated premium per acre
	$697.00*	**Net indemnity per acre**

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

Note: The net value per container cannot be less than the minimum value (see definitions) unless you have the minimum value option. In the example above, if the harvested production had been sold for only $4 per container, the actual net value per container would be $1 ($4—$3 allowable cost), which is below the minimum value of $1.85. Therefore the net value per container would be held to $1.85, the production value per acre would be $93 (50 containers per acre x $1.85 MV), and the loss per acre would be $1084 ($1,177 - 93).

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