



United States Department of Agriculture  
Risk Management Agency

February 2011

## 2011 COMMODITY INSURANCE FACT SHEET

# Silage Sorghum Pilot

## Colorado

### Crop Insured

Silage Sorghum —Dual purpose grain sorghum varieties (a type used for both grain and forage), male sterile grain sorghum varieties, or photo-period sensitive grain sorghum varieties, that have been developed to produce green matter to be ensiled.

### Counties Available

Silage Sorghum is insurable in the following Colorado counties: Baca, Prowers.

No written agreements may be authorized to extend coverage to any county for which actuarial documents are not filed.

### 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>Such as hail, freeze, excess wind, excess rain, drought, and tornado.

<sup>2</sup>If caused by 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.

### Reporting Requirements

**Acreage Report**—An acreage report is due to your agent by July 15th to include all acreage (insurable and uninsurable) in which you have a share.

**Production Report**—Required by date specified in the Basic Provisions. A written record showing the crop's planted acreage and annual production used to determine the actual yields.

### Duties in the Event of Damage or Loss

You must give notice within 72 hours of initial discovery of damage but not later than 15 days after the end of the insurance period. You must give notice at least seven calendar days prior to the harvest of any acreage of the silage sorghum crop that will be placed in silage bags or if the acreage will be utilized for any purpose other than for silage production.

### Important Dates

Sales Closing .....	March 15, 2011
Earliest Planting Date .....	April 26, 2011
Final Planting Date.....	June 15, 2011
Acreage Report Date .....	July 15, 2011
End of Insurance.....	October 15, 2011

### Definitions

**Maximum price election** - The price determined by multiplying the projected price for corn silage by 80 percent. In lieu of any policy provision that specifies that the price election will be released by the contract change date, the silage sorghum maximum contract price will be determined by RMA and released by January 31 of the crop year on RMA's website.

**Production guarantee (per acre)** - In lieu of the definition of production guarantee (per acre) contained in section 1 of the Coarse Grains Crop Provisions, the term production guarantee (per acre) means your approved yield (in tons) per acre multiplied by the coverage level percentage you elect.

**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, assigned yields, adjusted and/or unadjusted transitional yields.

## Coverage Levels and Premium Subsidies

Crop insurance premiums are subsidized as shown. 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.

Subsidy Factor	Percent						
	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Coverage Level							
Basic Unit	1.000	0.67	0.64	0.64	0.59	0.59	0.55
Optional Unit		0.67	0.64	0.64	0.59	0.59	0.55

## Catastrophic Coverage

Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the 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.

## Price Elections

You may elect a price election for all of your silage sorghum grown in the county on insurable acreage based on the maximum price election or if the price received under your silage sorghum purchase contract exceeds \$2.00 over the maximum price election, your price election will be limited to \$2.00 over the maximum price election. The silage sorghum maximum contract price election will be determined by RMA and released by January 31 of the crop year on RMA's website. Contact your agent or for more information see the Actuarial Information Browser: <http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable grain sorghum 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.

## Plans of Insurance

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

RMA has revised the Silage Sorghum Pilot Endorsement (11-0059) for the 2011 and succeeding crop years to conform to the new Common Crop Insurance Policy, Basic Provisions.

**You must** have the Common Crop Insurance Policy Basic Provisions, the Coarse Grains Crop Provisions, and, if applicable, the Catastrophic Risk Protection Endorsement, in force before you elect this Silage Sorghum Pilot Endorsement. Revenue protection and yield protection does not apply to this endorsement.

## Loss Example

A loss occurs when the production falls below the production guarantee as a result of damage from a covered cause of loss.

This example assumes that you have a unit in which you have a 100-percent share, your approved yield is 10.0 tons per acre, a 70-percent coverage level, 100 percent of the maximum contract price election (\$33.60 for example), and basic unit coverage.

You are able to harvest only 3.0 tons of silage sorghum due to an insured cause of loss that reduced production.

$$\begin{array}{r} 10.0 \text{ tons per acre APH yield} \\ \times .70 \text{ coverage level} \\ 7.0 \text{ ton per acre guarantee} \\ - 3.0 \text{ tons production to count} \\ 4.0 \text{ tons of production loss} \\ \times \$33.60 \text{ maximum contract price election} \\ \hline \text{\$134.00 net indemnity*} \end{array}$$

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

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