United States Department of Agriculture
Risk Management Agency

January 2011

2011 COMMODITY INSURANCE FACT SHEET

Sugar Beets

Colorado

Crop Insured

The crop insured will be all the irrigated sugar beets in the county on insurable acreage, for which you have a share, that are planted for harvest as sugar beets, and are grown under a sugar beet processor contract executed before the acreage reporting date and are not excluded from the contract at any time during the crop year.

Exclusions: Sugar beets inter-planted with another crop are not insurable.

Rotation requirements:

Insurance will not attach to any acreage on which sugar beets were grown the preceding crop year unless the following requirements apply:

a. Plant growth on the sugar beet acreage planted the preceding year was mechanically or chemically terminated prior to June 20th of that year and,
b. The sugar beet acreage being terminated was not affected by disease and,
c. The acreage terminated was fallowed or planted to another crop which is not a host to the sugar beet nematode.

As provided by the terms and conditions of the sugar beet policy, insurance will not attach on acreage in any crop year following discovery of rhizomania unless planted to a rhizomania resistant variety approved by the contracting sugar beet company.

Counties Available

Sugar beet insurance is available in the following 10 Colorado counties: Adams, Boulder, Larimer, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, and Yuma.

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. Contact your crop insurance agent for details on requesting a written agreement.

Causes of Loss

Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire[3]
Insects[4]
Plant disease[4]
Wildlife
A decline in the fall harvest price below the projected harvest price

[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] Only if effective control measures do not exist for such infestation.

Insurance Period

Coverage begins when the sugar beets are planted and ends the earliest of: (1) when the production delivered to the processor equals the amount of production stated in the sugar beet processor contract, (2) total destruction of the crop, (3) final adjustment of a loss, or (4) November 15.

Reporting Requirements

Acreage Report—You must give a report of all your sugar beet acreage in the county by the acreage reporting date.

Important Dates

Sales Closing	March 15, 2011
Final Planting Date	May 20, 2011
Acreage Report Date	June 15, 2011
End of Insurance	November 15, 2011

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

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

Subsidy Factor	Percent								
Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Basic Unit	1.000	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

Catastrophic Coverage

Catastrophic coverage (CAT) is available at 50 percent of your 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.

Production Guarantee

Yields are based on actual production records reported to your insurance agent and/or company. Sugar beet production guarantees are based on two stages. First stage provides 60 percent of the final stage guarantee; first stage is from planting until July 1. Final stage provides 100 percent of the final stage production guarantee. Final stage applies to all insured beets that complete the first stage. The production guarantee will be expressed in standardized tons.

Price Elections

Price of compensation in case of loss:
Established price: $41.50/ton.
Additional price election: Not yet established.

Insurance Units

Basic Unit: A basic unit includes all of your insurable sugar beet acreage in the county by share arrangement.
Optional Unit: basic units may be divided into optional units only if you have a sugar beet processor contract that requires the processor to accept all production from a number of acres specified in the sugar beet processor contract. Acreage insured to fulfill a sugar beet processor contract which provides that the processor will accept a designated amount of production or a combination of acreage and production will not be eligible for optional units.

Replant Payment

A replanting payment is allowed if the crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent (90%) of the final stage production guarantee for the acreage and it is practical to replant. The replanting payment per acre for sugar beets is one and a half tons, multiplied by your price election, multiplied by your insured share.

Sugar Beet Stage Removal Option Pilot

The option will attach to the existing sugar beet crop provisions and removes the first stage guarantee. The option will provide the producer the opportunity to buy coverage at the full guarantee and receive a full indemnity in the event of a total loss during the early stages of growth. Under the option all indemnities will be calculated using the final stage guarantee in exchange for the additional premium designated in the actuarial documents. Not available for catastrophic risk protection (CAT) coverage level. Indemnity reductions by the failed first crop provisions of the basic policy remain applicable.

Loss Example

A loss occurs when crop production falls below the guaranteed tonnage amount as a result of damage from a covered cause of loss. Production to count will be adjusted using raw sugar percent compared to sugar percent in the Special Provisions of Insurance. This example assumes 65% coverage level,, a 100-percent price election of $41.00, an average APH yield of 16 tons per acre, and a raw sugar percent of 16.8 as listed in the Special Provisions of Insurance.

16	Tons/acre APH yield
x .65	Coverage level
10.4	Tons/acre guarantee*
- 5.9	Tons/acre actually produced at 16.8%
4.6	Tons/acre loss
x $41.50	Price election
$191.00	**Indemnity***

(APH yield x coverage level - production to count) x price election

*Average percentage of raw sugar will be taken into account when computing production to count.

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